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 & Gas Corporation for Electric Service.	**CASE 25-E-0375**
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service.	**CASE 25-G-0378**
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service.	**CASE 25-E-0379**
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service.	**CASE 25-G-0380**

TESTIMONY OF WILLIAM D. YATES, CPA

FOR THE

PUBLIC UTILITY LAW PROJECT OF NEW YORK, INC.

Dated: November 7, 2025

Contents

Overview

Introduction

Q. Please state your name, business address, and identify for whom you are presenting testimony in these proceedings.

A. My name is William D. Yates, my office address is at the Public Utility Law Project of New York, Inc., 194 Washington Avenue - Suite 320, Albany, NY 12210. I am presenting testimony in these proceedings for the Public Utility Law Project of New York, Inc. ("PULP").

Q. Please describe PULP and your relationship to the organization.

A. PULP is a New York not-for-profit corporation that was formed in 1981. Its primary focus is to promote and defend the legal rights of residential utility consumers by educating the public, regulators, and elected officials about the impacts of utility rates, conducting research on the rights and energy burden of utility consumers, and through advocacy, emphasizing the rights and needs of low-income utility consumers. I have been employed by PULP in various capacities since July of 1990. I am currently Director of Research for PULP.

Q. What is your educational background, your professional qualifications, and employment history?

A. I am a graduate of Colgate University (B.A. in History, 1982) and a graduate of the New York University Stern School of Business Administration (M.S. in Accounting, 1987). I am a Certified Public Accountant ("CPA"), licensed to practice in New York State since 1987, and I am a member of the American Institute of Certified Public Accountants ("AICPA").

Q. Have you previously testified before the New York State Public Service Commission?

A. Yes, I have provided testimony before the Public Service Commission ("PSC" or "Commission") on behalf of PULP in several prior proceedings, including the following cases in 2012 and 2013, and from 2016 through the present:

Cases 12-E-0201 and 12-G-0202 (Niagara Mohawk, a/k/a National Grid-Upstate);
Cases 13-E-0030 and 13-G-0031 (Con Edison);
Cases 16-E-0058 and 16-G-0059 (National Grid-NY; and National Grid-LI);
Cases 16- E-0060 and 16-G-0061 (Con Edison);
Case 16-G-0257 (National Fuel Gas);
Cases 15-M-0127, 12-M-0476 and 98-M-1343 (ESCO Evidentiary Proceeding);
Cases 17-E-0238 and 17-G-0239 (Niagara Mohawk);
Cases 17-E-0459 and 17-G-0460 (Central Hudson);
Cases 18-E-0067 and 18-G-0068 (Orange and Rockland);
Cases 19-E-0065 and 19-G-0066 (Con Edison);
Cases 19-G-0309 and 19-G-0310 (National Grid-NY; and National Grid-LI);
Cases 19-E-0378, 19-G-0379, 19-E-0380 and 19-G-0381 (NYSEG & RG&E);
Cases 20-E-0380, 19-G-0381 (Niagara Mohawk, a/k/a National Grid-Upstate);
Cases 20-E-0428, 19-G-0429 (Central Hudson);
Cases 21-G-0073 and 21-E-0074 (Orange and Rockland);
Cases 22-E-0064 and 22-G-0065 (Con Edison);
Cases 22-E-0317, 22-G-0318, 22-E-0319 and 22-G-0320 (NYSEG & RG&E);
Cases 23-G-0225 and 23-G-0226 (National Grid-NY; and National Grid-LI);
Cases 23-E-0418 and 23-G-0419 (Central Hudson);
Cases 23-G-0627 (National Fuel Gas);
Cases 24-E-0060 and 24-G-0061 (Orange and Rockland);
Cases 24-E-0322 and 24-G-0323 (Niagara Mohawk);
Cases 24-E-0461 and 24-G-0462 (Central Hudson), and

Cases 25-E-0072 and 25-G-0073 (Con Edison).

In Cases 12-E-0201 and 12-E-0202, I testified regarding the experience of utility customers of Niagara Mohawk who entered into contracts for “commodity” (or “supply”) with energy service companies (“ESCOs”). The testimony I provided in that case was the first time that evidence of ESCOs systematically charging more than the utility was put forward in a PSC rate case.

In Cases 13-E-0030 and 13-G-0031, I testified regarding the Joint Proposal’s low-income assistance changes, and data reflected in Collection Activity Reports (“CARs”) filed monthly by Con Edison, concerning its residential customers with arrears who were at risk of actual or threatened interruption of utility service.

In Cases 15-M-0127, 12-M-0476 and 98-M-1343, I submitted direct and rebuttal testimony on ESCO excess electric and gas charges.

In Cases 16-G-0058 and 16-G-0059, I testified regarding affordability issues, matters relating to the Home Energy Fair Practices Act (“HEFPA”), and rate design in the KEDNY and KEDLI service areas of National Grid. I also provided testimony concerning the cost of site investigation remediation costs (“SIRs”) and superfund site cleanup.

In Cases 16-E-0060 and 16-G-0061, I testified regarding affordability issues, HEFPA related matters, and rate design in the Con Edison service area.

In Case 16-G-0257, I testified concerning affordability issues, rate design, and low-income program funding in the National Fuel Gas service area.

In Cases 17-E-0238 and 17-G-0239, I testified concerning affordability issues, HEFPA related matters, collection practices, AMI, certain issues concerning medical conditions and low-income program funding in the Niagara Mohawk service area.

In Cases 17-E-0459 and 17-G-0460, I testified concerning affordability issues, rate design, HEFPA related matters, collection practices, electric vehicles subsidies, employee stock purchase plan matters, and reliability challenges in the Central Hudson service area.

In Cases 18-E-0067 and 18-G-0068, I testified concerning affordability issues, rate design, HEFPA related matters, collection practices, and identification procedures in the Orange and Rockland Utilities service area.

In Cases 19-E-0065 and 19-G-0066, I testified concerning affordability issues, rate design, HEFPA related matters, collection practices, and customer complaints in the Con Edison service area.

In Cases 19-G-0309 and 19-G-0310, I testified concerning affordability issues, rate design, HEFPA related matters, collection practices, and customer complaints in the KEDNY and KEDLI service areas.

In Cases 19-E-0378, 19-G-0379, 19-E-0380, and 19-G-0381, I testified concerning affordability issues, rate design, HEFPA related matters, collections practices, closure of customer service offices, and customer complaints in the NYSEG and RG&E service areas.

In Cases 20-E-0380 and 20-G-0381, I testified concerning affordability issues, rate design, HEFPA related matters, collections practices, advanced metering infrastructure, low- and moderate-income energy efficiency, and customer complaints in the Niagara Mohawk service area.

In Cases 20-E-0428 and 20-G-0429, I testified concerning affordability issues, rate design, HEFPA related matters, collections practices, low- and moderate-income energy efficiency, and customer complaints in the Central Hudson service area.

In Cases 21-G-0073 and 21-E-0074, I testified concerning affordability issues, rate design, low- and moderate-income energy efficiency, and language access in the Orange and Rockland service area.

In Cases 22-E-0064 and 22-G-0065, I testified concerning affordability issues, rate design, and customer service issues in the Con Edison service area.

In Cases 22-E-0317, 22-G-0318, 22-E-0319 and 22-G-0320, I testified concerning affordability issues, rate design, and customer service issues in the NYSEG and RG&E service areas.

In Cases 23-G-0225 and 23-G-0226, I testified concerning affordability issues, return on equity considerations, HEFPA related matters, collection practices, and other customer service issues in the KEDNY and KEDLI service areas.

In Cases 23-E-0418 and 23-G-0419, I testified concerning billing system matters, affordability issues, return on equity considerations, and customer service issues in the Central Hudson service area.

In Case 23-G-0627, I testified concerning affordability issues, return on equity considerations, and customer service issues in the National Fuel Gas service area.

In Cases 24-E-0060 and 24-G-0061, I testified concerning affordability issues, return on equity considerations, and customer service issues in the Orange and Rockland service area.

In Cases 24-E-0322 and 24-G-0323, I testified concerning affordability issues, return on equity considerations, and customer service issues in the Niagara Mohawk service area.

In Cases 24-E-0461 and 24-G-0462, I testified concerning affordability issues, return on equity considerations, and customer service issues in the Central Hudson service area.

In Cases 25-E-0072 and 25-G-0073, I testified concerning affordability issues, return on equity considerations, and customer service issues in the Con Edison service area.

Purpose Of Testimony

Q. What is the purpose of your testimony in these proceedings?

A. The purpose of my testimony is to identify the energy affordability challenges faced by low-income households in the NYSEG and RG&E service areas, and how those challenges may be impacted by the Companies' proposals in these proceedings. It is also to make certain recommendations about ways that energy affordability and customer service could be improved for the Companies' residential customers.

Q. Are you sponsoring any exhibits?

A. Yes. I am sponsoring eighteen (18) exhibits, as follows:

- Exhibit__(WDY-01): A set of analyses I prepared to support various findings and recommendations in my testimony regarding NYSEG and RG&E residential customer counts, arrears and collections, and certain drivers and impacts of the Companies' proposed rate increases;
- Exhibit__(WDY-02): A set of analyses I prepared to support various findings and recommendations in my testimony regarding NYSEG and RG&E Energy Affordability Program ("EAP") participation;
- Exhibit__(WDY-03): A set of analyses, all of which pertain to my findings and recommendations regarding the authorized return on equity ("ROE") and earning sharing mechanisms ("ESMs") to be determined for the Companies in these proceedings;
- Exhibit__(WDY-04): The computer code I used to query the most recent (2023) American Community Survey microdata ("ACS Microdata") made available by the U.S. Census Bureau for energy burden-related variables for households in the NYSEG service area;
- Exhibit__(WDY-05): The first of two sets of results of selected queries executed against 2023 ACS Microdata for NYSEG, the computer code for which is referenced to Exhibit__(WDY-04);
- Exhibit__(WDY-06): The second of two sets of results of selected queries executed against 2023 ACS Microdata for NYSEG, the computer code for which is referenced to Exhibit__(WDY-04);
- Exhibit__(WDY-07): The computer code I used to query the most recent (2023) American Community Survey microdata ("ACS Microdata") made available by the U.S. Census Bureau for energy burden-related variables for households in the RG&E service area;
- Exhibit__(WDY-08): The first of two sets of results of selected queries executed against 2023 ACS Microdata for RG&E, the computer code for which is referenced to Exhibit__(WDY-07);

- Exhibit__(WDY-09): The second of two sets of results of selected queries executed against 2023 ACS Microdata for RG&E, the computer code for which is referenced to Exhibit__(WDY-07);
- Exhibit__(WDY-10): A set of analyses, all of which support my findings and recommendations pertaining to the June 16, 2025 response of the New York State Department of Public Service ("DPS") to a Freedom of Information Law ("FOIL") request submitted by May 28, 2025 PULP requesting a summary report of residential customer complaints brought against NYSEG and RG&E for the period January 1, 2022 through April 30, 2025. DPS' response to this request can be found at Page 20 of Exhibit ___(WDY-14);
- Exhibit ___(WDY-11): Attachments 54 through 68 of the Companies' response to I/R DPS-314, which describe certain NYSEG and RG&E collections procedures;
- Exhibit__(WDY-12): Attachments 69 through 70 of the Companies' response to I/R DPS-314, which describe additional NYSEG and RG&E collections procedures;
- Exhibit__(WDY-13): The Commission's November 23, 1977 *Statement of Policy on Test Periods in Major Rate Proceedings* in Case 26821 ("Test Period Guidance");
- Exhibit__(WDY-14): 1) A June 26, 2024 response to a Freedom of Information Law ("FOIL") request submitted by PULP to the New York State Department of Public Service pertaining to the number of electric submetered buildings in New York State, including the NYSEG and RG&E service areas; 2) an April 15 2025 PULP/AARP letter urging the Department of Public Service ("DPS") to request that the electric and gas utilities take numerous actions to help customers manage their arrears, and ultimately help them prevent service termination for nonpayment, and; 3) the June 16, 2025 response of the New York State Department of Public Service ("DPS") to a Freedom of Information Law ("FOIL") request submitted by May 28, 2025 PULP requesting a summary report of residential customer

complaints brought against NYSEG and RG&E for the period January 1, 2022 through April 30, 2025;

- Exhibit__(WDY-15): The Companies' responses to information requests ("I/Rs") PULP-01 through PULP-127;
- Exhibit__(WDY-16) Attachment 1 to I/R PULP-126;
- Exhibit__(WDY-17): The Companies' responses to I/Rs PULP-128 through PULP-159, and;
- Exhibit ___(WDY-18): The Companies' response to I/R DPS-834, which describes NYSEG and RG&E's outreach to customers concerning smart meters.

Findings

Q. What are the major findings of your testimony in these proceedings?

A. My testimony examines affordability and customer service matters in several areas including but not limited to evidence that:

1. Under the Companies' one-year proposal alone, NYSEG electric *ratepayers would incur $189.7 million (almost 5 times) more in major storm costs than they are currently paying in rates*. Increased storm costs constitute the biggest cost driver in the NYSEG electric case—higher even than costs associated with its proposed incremental capital investments. Yet, two of the three historical years of data used by the Companies to arrive at this proposal are the subject of a recommendation by NorthStar Consulting Group ("NorthStar") in their recently released management and operations audit report ("NorthStar Audit", "NorthStar Report") that an independent, third-party audit be conducted of NYSEG storm costs to determine their accuracy. More broadly, multiple additional NorthStar recommendations—including several other independent reviews, investigations and audits—cast into doubt the Companies' claim that they have created "a verifiable link from the historical Test Year to the forecast Rate Year" as the basis for establishing the Rate Year delivery revenue requirement.

2. Under the Companies' one year proposal, NYSEG residential electric customers using 600 kilowatt hours (kWh) per month ("typical" or "average" electric customers) would experience a $35.55 monthly increase, equating to a 37.3% increase in their delivery bills; while typical NYSEG residential heating gas customers using 83 therms per month would see a $31.77, or 46.0% monthly increase. Typical RG&E residential electric customer bills would increase $31.99 (38.3%), while average RG&E residential heating gas customer bills would rise $16.22, or 30.0%.

   Based on the Companies' revenue requirement forecasts over the five years from May 1, 2027 through April 30, 2031, revenue requirements would result in cumulative delivery rate increases before gross receipts tax ("GRT") of 79% for NYSEG electric, 78% for NYSEG gas, 84% for RG&E electric, and 66% for RG&E gas over five years.

3. In New York State, the citing of new large electric load projects by 2035, such as Artificial Intelligence ("AI") data centers, is expected to be highly concentrated in the NYSEG service area. Yet, in each of the most recent five years, the Company has failed its System Average Interruption Frequency Index ("SAIFI") performance metric target, which does not even include major storms. NYSEG has substantially underspent its budget for maintaining electric reliability, which worsens the risk that its already aging electric infrastructure could experience more failures. In this context, layering new AI-related electric loads onto the NYSEG system appears, at best, impractical and ill-advised. Even if such loads could be added without further risking system reliability, the enormous costs required to serve these facilities would likely be spread among all NYSEG ratepayers, instead of being incurred by the data center operators.

4. The average number of NYSEG EAP participants in arrears rose 58% from 2019 through June 2025, however, this was mostly the result of enrolling new participants during the period, a percentage of whom had arrears prior to joining the program. One effect of this dynamic was that the percentage of program participants in arrears remained steady, at 38% of accounts. That being said, the

average past-due balance per NYSEG EAP participant during the twelve months ended June 2025 was 86% higher than pre-pandemic levels ($1,096 vs. $590).

At RG&E, a similar scenario played out: increases in the number of EAP participant accounts in arrears coincided with increased EAP enrollment, but the overall percentage of participants in arrears remained essentially unchanged, at 50%. However, the average past due balance per RG&E participant rose much more than NYSEG participants, nearly tripling, to $1,727 from $679.

5. The number of NYSEG Non-EAP accounts in arrears increased 5% from 2019 through June 2025, while the arrears associated with those accounts rose collectively by 37% (from $24 million to $33 million), and per customer by 31% ($445 vs. $340). The percentage of Non-EAP customers in arrears rose from 7% during 2019 to 8% during the twelve months ended June 2025.

The number of RG&E Non-EAP accounts past-due rose 10% for the period, with the overall balance owed increasing 27% (from $26 million to $34 million), and per customer by 14%, from $643 to $735. As with NYSEG, an average of 8% of RG&E Non-EAP customers were in arrears during the twelve months ended June 2025, up from 7% during 2019.

6. The Companies resumed residential credit and collections activity in 2022, including the termination of service for non-payment of approximately 3,800 NYSEG and 1,200 RG&E customers during that year. In 2023, about 13,200 terminations were conducted by NYSEG, rising to 35,100 in 2024; while 4,100 were conducted by RG&E, rising to 12,200 in 2024. In the six months ended June 30, 2025, there were 17,600 residential shutoffs performed by NYSEG and 6,200 performed by RG&E.

7. At the federal level, passage of the “One Big Beautiful Bill” (“OBBB”) resulted in benefit reductions for many assistance programs, most notably SNAP and Medicaid. Additionally, while not addressed in the OBBB, funding for HEAP in Fiscal Year 2026 will be determined through the regular appropriations process, which as of the due date of this testimony remains at impasse. The Trump

administration has proposed eliminating HEAP, which many low-income utility customers depend upon for financial assistance when they fall behind. Although HEAP continues to enjoy strong bipartisan support in Congress, there can be no assurance that the program will be funded once the current budget impasse is resolved.

8. Based on my analysis of the most recent ACS Microdata published by the U.S. Census Bureau, and the Company's responses to PULP I/Rs, I estimate that:

   A. There are approximately 203,000 NYSEG customers and 99,000 RG&E customers potentially eligible for EAP.

   B. The total energy burden of NYSEG customers potentially eligible for EAP averaged 11.4% of income in 2023, 90% higher than the Commission's maximum 6% of household income target. The equivalent burden for RG&E was 10.9% of income in 2023, 82% higher than the Commission's target.[1]

   C. About 67% of NYSEG customers potentially eligible for EAP reported total energy burdens greater than the 6% target; while 64% of such RG&E customers reported total energy burdens greater than the 6% target. Approximately 42% - 43% of these customers at both NYSEG and RG&E reported total energy burdens exceeding ten percent (10%) of their incomes, indicating that they were "severely burdened" by their energy costs.[2]

   D. About 31% - 32% of NYSEG and RG&E customers potentially eligible for EAP reported incomes at or below the federal poverty level ("FPL") in 2023. Another 13% of these customers at both NYSEG and RG&E reported incomes between 100% and 130% of the FPL. The remaining 56% of customers potentially eligible for EAP at each company reported incomes

[1] *See*, Case 14-M-0565, *Order Adopting Low Income Program Modifications and Directing Utility Filings*, at 3. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={BC2F31C9-B563-4DD6-B1EA-81A830B77276}.

[2] *See*, *How High Are Household Energy Burdens?*, American Council for an Energy-Efficient Economy ("ACEEE"), at ii. Available at: https://www.energy.gov/sites/default/files/2022-10/16.%20How%20high%20are%20household%20energy%20burdens_ds_0.pdf.

above 130% of the FPL and up to 60% of the State median income ("SMI")—with 68% in this cohort indicating that they had one or more vulnerable members in the household, such as a child under six years of age, an adult aged sixty or older, or a person(s) with disabilities.

9. Overall, EAP enrollment at the Companies has shown substantial progress since 2019. On a trailing four-quarter average basis, enrollment at NYSEG rose 64%, from 52,765 participants during calendar year 2019 to 86,411 participants during the twelve months ended June 2025. During the same period, enrollment in RG&E's EAP increased 25% from 39,562 to 49,602 participants. I estimate that an average of 42% were enrolled in the NYSEG plan and 50% were enrolled in the RG&E plan during the twelve months ending in June 2025.

However, in terms of percentage of customers potentially eligible for EAP in comparably high energy burdened parts of each service area, I noted significant enrollment disparities. For example, EAP participation rates were higher in the areas such as the Southern Tier where NYSEG has a large number of residential (especially combined service) customers than in areas such as Western New York where it has high concentrations of electric-only or gas-only customers. Specifically, in Broome, Chemung, Chenango, Delaware, Schuyler, Steuben and Tompkins, about 64% of the customers I estimate are potentially eligible for EAP are enrolled; whereas in Erie County only about 29% of potentially eligible customers are enrolled.

Similarly, in Monroe County, I found that about 57% of RG&E customers potentially eligible for EAP are enrolled; whereas in other parts of the service area (Allegany, Cayuga, Livingston, Ontario and Wyoming counties) only about 33% of potentially eligible customers are enrolled.

Since the Companies do not track their residential customers by census tract, I was not able to determine whether these enrollment disparities result in under-enrollment rates in comparably high energy burdened DACs versus Non-DACs. However, I was able to identify that the rural RG&E disadvantaged community of Friendship in Allegany County (Census Tract 36003950600), had an average energy burden, as measured by the Climate Justice Working Group's ("CJWG") "Home Energy Affordability" indicator, in the 94th percentile statewide. Based on ACS Microdata, I estimate that only 26% of customers in Friendship who are potentially eligible for EAP are enrolled, compared to an average of 50% in the RG&E service area overall, and 57% in Monroe County.

10. The ability for NYSEG and RG&E customers to self-certify their eligibility in EAP has had little impact on program enrollment in contrast with the State's other major utilities. As of November 30, 2024 there were only 1,155 active self-certification participants at NYSEG (1.3%); and just 78 at RG&E (0.2%). Moreover, in their reports the Companies indicate that, if customers have both electric and gas meters, they are counted twice.

    In contrast, as I have identified in testimony in other rate cases, meaningful contributions to increased and/or stabilized rates of EAP participation through self-certification have been attained by most of the State's other major utilities, including Central Hudson[3], Con Edison[4], KEDLI/KEDNY[5] and Orange and Rockland[6].

11. Department of Public Service ("DPS") Staff's Return On Equity Model ("SRM") data from electric, gas and steam rate cases from 2010 through 2025 indicate that, net of earnings sharing, the Companies' customers were burdened in most settled proceedings by delivery rates based on fixed ROEs exceeding SRM costs of equity produced in testimony in subsequent rate cases, costing them up to an estimated $128.2 million more in delivery charges since 2010

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[3] See: *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 24-E-0461 et al., at 10. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={00905593-0000-CC16-A439-2BE3C1C4B846}.

[4] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 25-E-0072 et al., at 13. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={909C2297-0000-C67A-A438-27D68B2FCD91}.

[5] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc. (Corrected)*, Cases 23-G-0225 et al., at 28. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40B5AD8A-0000-CB14-9F9D-99811D3A3BB0}.

[6] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 24-E-0060 et al., at 20. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={8096AB8F-0000-CC32-8401-669337638FED}.

than would been the case had these plans provided for a check on the unrealistic expectations for cost of equity inherent in the authorized ROEs in these proceedings.

12. In July 2025, NYSEG sent almost 6,000 service termination notices to multiple dwelling accounts in its service area and RG&E sent almost 900 service termination notices in its service area. In early September, NYSEG notified tenants of Hathorne Redevelopment Company's property at 346 Woodlawn Avenue in Elmira ("Woodlawn Court") that it intended to terminate their utility service on September 23, 2025. Woodlawn Court is a property having over 200 apartments, many occupied by low-income tenants, including several with special medical needs that require electric service. This most recent notice follows an actual service termination at the property on October 31, 2024 that lasted a day-and-a-half.[7]

As of July 2025, there were 1,458 NYSEG and 318 RG&E multiple dwelling accounts in arrears by 60 days or more. Through August of this year, NYSEG had conducted a total of 354 multiple dwelling service terminations, and RG&E had conducted 39. I am acutely concerned that there is an alarming risk going forward that terminations to multiple dwelling buildings could be widespread, potentially affecting the utility service of tens of thousands of residential customers in the Companies' service areas.

13. NYSEG and RG&E have the opportunity to improve customer service in several areas, as evidenced by the February 4, 2025 final report of NorthStar Consulting Group in regard to the deterioration of customer service performance mechanism metrics and other findings from 2018 through 2023[8]; an ongoing DPS investigation into billing, customer service, and meter reading

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[7] See: *Woodlawn Court Residents Demand Answers on NYSEG Bills*, WENY News, September 10, 2025. Available at: https://www.weny.com/story/53075314/woodlawn-court-residents-demand-answers-on-nyseg-bills.

[8] See: *Comprehensive Management and Operations Audit of New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation*, Case 23-M-0103, at IX-10 – IX-48 (PDF 208 - 246). Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={3097E996-0000-C45D-8AB2-101DC6B879E5}.

issues affecting customers[9]; and the continued high level of initial and escalated complaints reported by the DPS Office of Consumer Services ("OCS") through August, 2025 in their monthly reports on consumer complaint activity[10].

Recommendations

Q. In light of your findings, what are your recommendations for improving utility affordability and customer service for the Companies' low-income customers?

A. I recommend several actions that be taken to improve utility affordability and customer service for many of the Companies' customers, including but not limited to the following:

1. In these proceedings, the parties and the Commission should endeavor to limit residential bill impacts to the minimum necessary to ensure safe, reliable service at just and reasonable rates; and to achieve statewide policy objectives such as low-income energy affordability and the requirements of the Climate Leadership and Community Protection Act ("CLCPA"). This effort should include, but not be limited to:

   - Basing the Companies' authorized ROE upon Staff's Return On Equity Model in a one-year case. I recommend that any multi-year settlement in these proceedings include an annual "true-up" of the Companies' authorized ROE to the Department of Public Service's Staff ROE Model for each year; a deferral of any revenues derived from authorized ROE in excess of or below true-up ROE; and an additional deferral of revenues subject to sharing with customers because they were derived from actual ROEs exceeding true-up ROE (hereinafter, "true-up and sharing mechanism"). I further propose that a study be conducted during the rate plan; the objective of which would be to estimate the potential range of impacts that "truing-up" authorized ROE to SRM output annually from

[9] See: *In the Matter of Staff's Investigation into Billing, Customer Service, and Meter Reading Issues Affecting Customers of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation*, Matter 23-00068. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=23-00068.
[10] See: *In the Matter of Consumer Complaint Statistics - Office of Consumer Services*, Matter 19-00950. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=19-00950.

2010 to 2025 would have had upon the Companies' cost of capital, and upon the incremental resources that would have been necessary for parties to participate in the Companies' rate cases;

- In the event that my proposal for a true-up and sharing mechanism is not included in a multi-year settlement, but an earnings sharing mechanism ("ESM") is included, I propose that such an ESM have no "dead band" and provide for equal sharing between shareholders and ratepayers of any earnings derived from actual returns in excess of authorized ROE, modified to reserve 90% of any earnings derived from actual returns exceeding 150 basis points of authorized ROE for customers;
- Exploring alternative rate designs that would, at a minimum, freeze the Companies' monthly residential fixed charges and, more generally, reward conservation and energy efficiency through lower delivery bills, and;
- Addressing any disproportionate burden the Companies' proposals could impose on disadvantaged communities identified as vulnerable by virtue of energy poverty/cost burden and other income-related indicators. No proposals should be adopted that are inconsistent with CLCPA Section 7(3).

2. The Commission should require that each of the independent investigations, reviews and studies proposed by NorthStar in their final report in Case 23-M-0103 be undertaken. In the context of these proceedings, I propose that each independent initiative have as one of its objectives the quantification of any findings that have an impact on historical financial data provided by the Companies. Any adjustments to historical data that result should have two consequences: first, that NYSEG and RG&E ratepayers should be furnished with bill credits (not deferrals) to the extent that adjustments would have had any impact over their utility bills during the pendency of the rate cases to which they applied; and second, that any adjustments affecting Test Year 2024 data that can consequently be shown to have had a bearing on the setting of rates in these proceedings should also result in bill credits to

ratepayers (not deferrals) and prospective adjustment of rates to account for such impacts.

3. Given that it will have been almost three years as of the date of my testimony in these proceedings since the Commission initiated the NYSEG and RG&E Billing Investigation (Matter 23-00068), I call upon the Commission to disclose the present status of the investigation without delay. It took just fifteen months from the date of Central Hudson's new billing system launch in September 2021 to achieve the release of the December 2022 New York State Department of Public Service Investigation Report in Case 22-M-0645, which detailed extensively what went wrong with that implementation.

   Should the Commission find that NYSEG and RG&E mismanaged their billing systems and protocols, I recommend that the Commission hold NYSEG and RG&E accountable for any billing errors and require them to hold customers harmless. Furthermore, should the Commission impose penalties, or negative revenue adjustments (NRAs), of any kind related to this matter, or come to any settlement with the Companies that includes an agreement by NYSEG and RG&E shareholders to bear the cost of a customer benefit fund such as the $4 million fund established in settlement of the Central Hudson billing investigation, such penalties, NRAs, or benefits should be applied directly as credits to customer bills.

4. In these proceedings, I recommend that a separate service class for both NYSEG and RG&E be established for large electric loads with the high power densities characteristic of AI and Crypto data centers. These loads should be distinguished by their tendency to generate sudden power spikes and large-scale demand fluctuations that potentially affect grid stability; as opposed to the loads characteristics of most traditional data centers, semiconductor fabrication plants ("chip fabs"), and heavy manufacturing facilities, which are also large but tend to be more stable, predictable, and continuous. I further recommend that the electric cost of service ("ECOS") study accompanying the Companies' next rate case filing be required to include the cost to serve AI and Crypto data center customers.

5. In any multi-year settlement in these proceedings, should federal funding for HEAP, SNAP, Medicaid or any other EAP eligibility-conferring programs be curtailed or eliminated in a way that materially reduces the number of NYSEG and RG&E customers who would be eligible for EAP based on the current energy affordability framework, I propose that the Companies submit a petition to the Commission to suspend dis-enrollments of EAP participants until such time as the State has been able to offset the negative impacts upon enrollment caused by such reductions or elimination. Mitigating offsets could be expected to include a combination of additional State funding for EAP and/or changes to the overall energy affordability framework.

   Should it be possible for the Companies to suspend dis-enrollments of EAP participants without the need for a Commission Order, I recommend that the Companies take this step accordingly.

6. In any multi-year settlement in these proceedings, I propose that NYSEG and RG&E agree to study all the factors that have led to the EAP enrollment rate disparity between comparably high energy burdened parts of their service areas. The goal of this study should be to prioritize EAP enrollment outreach efforts that are focused on reducing high energy burdens in all communities in their service areas, whether or not they are designated as DACs. If the Companies decide to use data provided by the CJWG to accomplish this, I recommend they first summarize their residential customers and EAP participants by census tract. This will allow them to identify which communities (census tracts) are both the most highly-burdened and most under-enrolled in EAP, and to target outreach accordingly. Alternatively, NYSEG and RG&E could use ACS Microdata such as I have provided in my testimony, in which case their focus should be prioritized on parts of their service areas where they have significant number of residential customers (for example, more than 1,000 customers), but where EAP participation rates are lower than my estimate of the percentage of potentially eligible customers actually enrolled in EAP.

7. In any multi-year settlement in these proceedings, I recommend that a customer service quality metric ("CSQM") be adopted that, on a monthly basis, tracks EAP self-certifications and manual enrollments by the Companies. The Companies would file quarterly reports in this proceeding and Case 14-M-0565 tracking the monthly activity for each category. To help promote a better, more "real-time" understanding of what is working, or not working, pertaining to EAP enrollment efforts, such reports would also include narrative explanations of the Companies' activities during the period and its assessment of the reasons for material changes in self-certifications and manual enrollments. The proposed metric would not have any associated positive or negative revenue adjustments, since its main purpose would simply be to provide more timely insights on the effectiveness of the self-certification process.

8. In any multi-year settlement in these proceedings, I propose that NYSEG and RG&E adopt customer service enhancements in several operational areas, including but not limited to:

    - <u>DPAs</u>

      NYSEG and RG&E should make DPAs more accessible whenever possible (especially non-standard and minimum DPAs) as a means of avoiding service termination. The Companies should modify financial statement requirements to acknowledge the challenges many vulnerable customers encounter when they attempt to provide documentation of their financial circumstances.

    - <u>Extensions For Payment</u>

      NYSEG and RG&E should improve outreach and education pertaining to the convenient due date billing program by soliciting interest from EBD customers, and those who routinely make late payments on or around the same date each month. The Companies should advertise this program in all special protection program outreach and education materials, and train CSRs to offer it to any customers indicating they are on fixed incomes.

- <u>Medical Emergencies and Life Sustaining Equipment</u>

  The Companies should set clear timeframes for the review and processing of certifications, while prioritizing disconnected households to avoid delays in reestablishing service. NYSEG and RG&E should also create standardized medical certification forms; include medical certification forms with termination notices sent to customers; enhance medical certification tracking and monitoring (including whether households-at-risk have alternative power sources) and extend medical certification holds to at least 60 days (preferably longer).

- <u>Language Access</u>

  NYSEG and RG&E should expand their tracking and monitoring of customer language preferences, starting with asking customers to indicate their preferred language on their start service applications, with routine verification. Whenever possible, NYSEG and RG&E should provide bills, applications, and essential communications in customer-preferred languages. They should offer previously uncoded limited English proficiency (LEP) customers 15-day extensions after self-identifying their Non-English language preferences during the collection process. The Companies should develop analytical tools designed to identify whether LEP customers may be experiencing less than satisfactory service, and collaborate with community-based organizations ("CBOs") to achieve better interactions with their LEP customers.

- <u>Elderly, Blind or Disabled ("EBD") Customers</u>

  The Companies should expand outreach and education about EBD rights, responsibilities and account coding beyond initiation of service and the annual residential rights and responsibilities brochure by screening potentially eligible customers at in-person events, through regular surveys, and during interactions with customer advocates. NYSEG and RG&E should expand protections for EAP participants whose accounts are coded for EBD to include additional outreach during the collections process, waiving financial statement requirements for obtaining minimum DPAs, and allowing EAP participants who complete financial statements and are identified as EBD customers to enter into new minimum DPAs.

- Customers Seeking Assistance From DSS

  NYSEG and RG&E should place standardized 30-day holds on collections when notified of a pending application or a pledge of funding by customers, or by DSS or CBOs, along with an additional extension when they provide proof of funding. The Companies should consider assistance verified through the most nonburdensome process possible, preferably through communications with DSS and CBOs. They should automatically offer customers whose grants are not sufficient minimum DPAs for the remaining amount necessary to prevent shut off, and they should restart the collections process to allow customers denied assistance to access other sources of funds and/or negotiate DPAs.

- Smart Meters

  NYSEG and RG&E should provide plain language test results of old meters with next month bill inserts when the Companies install smart meters for customers. They should waive additional monthly fees for EAP participants opting to keep non-smart meters, eliminate fees for remote smart meter reconnections, implement an automated phone and email survey eliciting the concerns customers have with smart meters that also allows them to request responses back for specific concerns, and develop a targeted plan of outreach and education based on the survey findings.

- Outreach To Customers Whose Service Has Been Terminated

  NYSEG and RG&E customer advocates should create educational materials for distribution to local social service agencies and community-based organizations that provide information about how disconnected customers can access locally available financial assistance, shelter services, and information about what their rights are as they pertain to utility disconnections. Annually, prior to beginning of the cold weather period starting November 1, they should contact customers disconnected after April 15 who have not yet had service restored, in an effort to inform such customers of the Companies' procedures for reconnection, along with any resources that may be available to help them resolve their arrears, including but not limited to, enrolling them into a minimum DPA.

- Voluntary Suspensions of Service Termination During Cold Weather and Extreme Heat

  The Companies should continue their current customer protections in situations of extreme heat, unless superseded by Commission Order, and their current cold weather protections. They should suspend terminations on any day when the actual temperature reaches 85 degrees, even on days when an 85 degree temperature had not been forecast; and on days when the wind chill temperature actually reaches 32 degrees or lower, regardless of forecasted temperatures.

- Digital Accessibility For Customers

  NYSEG and RG&E should improve access for disabled customers and customers using assistive technology by completing fixes to all defects identified by Deque in the February and September 2025 accessibility audits, incorporating a "Skip to Main Content" link on every page of their websites, reviewing and editing the Focus Order and Document Object Model ("DOM") order for each website page, offering braille bills and conducting appropriate outreach at both Companies, and waiving any late fees and offering for customers identifying the need for a reasonable physical or digital accessibility accommodation regarding their billing but for whom the Companies fail to provide such accommodation within 30 days.

- Protections for Victims of Domestic Violence

NYSEG and RG&E should develop more comprehensive internal and external processes for assisting domestic violence survivors; including flagging the accounts of customers self-attesting to surviving domestic violence or other violence, as well as other vulnerable customers, as "sensitive"; providing annual sensitivity training to CSRs and customer advocates; and furnishing CSRs with resources to provide survivors of domestic violence. For the accounts of customers self-attesting as survivors of domestic violence, the Companies should also remove late payment charges; offer minimum deferred payment agreements with financial statement requirements waived; offer bill extensions; and forgive first defaults on minimum DPAs for accounts marked as "sensitive". NYSEG and RG&E should also create an accessible web page, including a self-attestation form, to ensure that this information is easily available to customers not comfortable with verbally disclosing their domestic violence survivor status.

- <u>Walk-In Customer Service Centers</u>

Before proceeding with closing the walk-in customer service centers they propose, NYSEG and RG&E should implement my customer service proposals involving DPAs, extensions for payments, coding for medical emergencies and life sustaining equipment, language access, coding of EBD customers, customers seeking assistance from DSS, service terminations, cold weather and extreme heat protections, digital accessibility for customers, and protections for victims of domestic violence. They should also conduct at least two months of outreach education to customers in the affected areas before moving forward with any closures; and agree to meet with their most vulnerable customers at DSS offices or other suitable locations in all impacted communities so that necessary services to vulnerable customers.

- <u>Problems with Landlord Accounts and Multiple Dwellings</u>

NYSEG and RG&E should increase efforts to locate landlords at risk of service termination prior to notifying tenants that their utilities are at risk of service termination. The Companies should utilize resources such as the E-COURTs search engine through the NYS Unified Court System or other public resources to locate landlords and/or their attorneys to provide notice of impending shut-off. They should also conduct direct outreach to affected tenants, whether or not tenants associations ("TAs") exist, distributing flyers outside building entrances and going door-to-door to notify individual units, when possible. The Companies should provide TAs, where they exist, and elected officials with detailed information, including updates, well ahead of any scheduled termination.

Discussion

Energy Affordability Considerations for Low-Income Households

NorthStar Management and Operations Audit (the "NorthStar Audit")

Q. Please provide an example of historical data used by the Companies to propose revenue increases in these proceedings, the nexus of these data to the findings of the NorthStar Audit, and how that nexus affects energy affordability for NYSEG and RG&E low income households.

A. The Companies' used a three-year average of major storm costs, from 2022 through 2024, to propose a NYSEG major storm cost allowance of $230.7 million for the rate year May 1, 2026 through April 30, 2027 (the "Rate Year"). (Exhibits __ (NYSEG ELECTRIC RRP-2) at 8; ___(WDY-01) at 25) The scope of the NorthStar Audit included two of the three years included in the average to calculate their proposed Rate Year proposed major storm costs for NYSEG (2022 and 2023).[11]

In their audit, NorthStar recommended that an independent, third-party audit be conducted, with DPS oversight, of storm costs to:

[11] *NorthStar Report*, at I-1.

> **"…**determine the accuracy of costs recorded to storm events that comply with the current rate plan and to provide more timely recovery of storm expenditures for NYSEG and RG&E. This includes but is not limited to tracing a major storm and a vegetation management work order to financial statements and reviewing the work order procedure to ensure there are no overlapping or duplicate cost collectors in storms, vegetation management, and capital. As a substantial portion of storm expenditures are paid to external parties, it is difficult to evaluate the reasonableness or accuracy of costs without auditing a valid sample of costs."[12]

NYSEG's proposed major storm *increase*, at $189.7 million for the Rate Year *alone*, is its single largest electric revenue requirement cost driver (higher even than capital investment average rate base and depreciation) in these proceedings, accounting for 41% of its overall electric rate increase request. (Exhibit__(NYSEG & RGE RRP-8) at 1)

Were this increase to be granted, I estimate that increased storm costs could comprise $13.58 of the $33.12 increase in the monthly delivery bills of average usage NYSEG residential electric customers I discuss in the next part of my testimony. This would equate to approximately $163 annually in bill impacts solely for the recovery of higher storm costs.

Making matters worse is the fact that these NYSEG ratepayers are *already paying* a $5.61 monthly surcharge on their bills to recover past NYSEG storm recovery costs pursuant to the Commission's December 19, 2024 *Financing Order to Recover Storm Recovery Costs Financing Order* in Case 24-E-0493.[13] Storm costs incurred during each of the six years of the NorthStar audit, as well as 2024 (the Companies' proposed "Test Year" in these proceedings), were all included in the securitization. Taken together, the proposed Rate Year allowance for storm costs plus the extant surcharge would bring annual bill impacts *just related to storm costs to about $230*, when compared with bills prior to February 2025.

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[12] *NorthStar Report*, at I-10.
[13] See: *Financing Order to Recover Storm Recovery Costs* (NYSEG), December 19, 2024, Case 24-E-0493. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F04AE093-0000-C213-8882-03E2CE003AAD}.

Q. More broadly, how do the findings and recommendations of the NorthStar Audit affect energy affordability for low-income households in the NYSEG and RG&E service areas in these proceedings?

A. In its Revenue Requirements and Accounting Panel Testimony and Exhibits, the Companies have presented historical data for four of those years (2020 – 2023) and for 2024, which it proposes as the "Test Year". (Revenue Requirements and Accounting Panel Testimony at 6) To the extent that certain of the findings of the NorthStar Audit prove to be accurate, they call into question the reliability of the historical data presented by the Companies in these proceedings—including, most significantly, the proposed Test Year.

Q. What is a "Test Year" and why is it important in rates cases such as these proceedings?

A. According to the National Association of Regulatory Commissioners ("NARUC"), "Test Years" are one of several necessary components used to determine the revenue requirement in rate cases. "Historical" Test Years, such the calendar year 2024 suggested by the Companies in these proceedings, are financial statements derived from the utilities' books and records.[14] Importantly, in its November 23, 1977, *Statement of Policy on Test Periods in Major Rate Proceedings* in Case 26821 ("Test Period Guidance"), the Commission identified that, in setting utility rates in New York, it seeks as its goal to ascertain what the revenues, operating expenses and conditions would be in the first twelve months after rates became effective, and that:

> To reach that end, we have looked to historical data, emerging actual results and known and projected changes in operations and costs.

(Exhibit ___(WDY-13) at 4)

In turn, the Revenue Requirements Panel Testimony, at 10, indicates that the Companies' Rate Year delivery revenue requirement was prepared in a manner consistent with the Test

[14] See: *Calculating the Revenue Requirement*, Colorado Department of Regulatory Agencies / NARUC. Available at: https://pubs.naruc.org/pub.cfm?id=5376DE70-2354-D714-51BA-736C233E4185.

Period Guidance, starting from actual historical results, with normalizing adjustments made to create "a verifiable link from the historical Test Year to the forecast Rate Year".

Q. Given the NorthStar recommendation you just described, do you think that the Test Year data presented by the Companies pertaining to storm costs create a verifiable link from the historical Test Year to the forecast Rate Year?

A. No, I do not. Before such data can be relied upon by the parties and the Commission, I believe that it is necessary to implement the NorthStar recommendation that an independent, third-party audit be conducted to determine the accuracy of recorded NYSEG storm costs.

Q. Do the Commission's December, 2024 financing Orders in Case 24-E-0493 to recover NYSEG and RG&E storm recovery costs support your proposal that the NorthStar recommendation to conduct an independent, third-party audit of NYSEG and RG&E storm costs be implemented?

A. Yes, they do. The NYSEG financing Order in Case 24-E-0493 include a provision stating that:

> If, subsequent to the issuance of the Bonds, the Commission identifies any unsupported major storm expense requiring downward adjustment in NYSEG's storm regulatory asset balance as of June 30, 2024, NYSEG will establish a regulatory liability equivalent to the adjustment to be refunded to customers in its next base rate case, provided that no such adjustment or refund shall impact the Bonds, the Recovery Property or the Recovery Charges. Any such regulatory liability will accrue carrying charges at the weighted average cost of capital.[15]

The RG&E financing Order in Case 24-E-0493 includes an equivalent provision.[16]

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[15] See: *Financing Order to Recover Storm Recovery Costs* (NYSEG), December 19, 2024, Case 24-E-0493, at 7. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F04AE093-0000-C213-8882-03E2CE003AAD}.

[16] See: *Financing Order to Recover Storm Recovery Costs* (RG&E), December 19, 2024, Case 24-E-0493, at 7. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={404AE093-0000-C117-8BCF-7C8CCFEBBA9E}.

Q. What are some other NorthStar Audit examples that cause you to have concerns about the Companies' historical data?

A. Examples include, but are not limited to:

- The characterization of time and materials resource assignments to NYSEG and RG&E[17];
- The share of service-company charges allocated to NYSEG and RG&E[18];
- Budgeting and finance processes that are not transparent; lack sufficient support; and prioritize corporate earnings, not the needs of NYSEG and RG&E[19], and;
- Incentive-compensation practices based on combined results across Avangrid entities allowing for payouts when NYSEG and RG&E underperform—resulting in New York customers funding compensation for non-performance, and bearing the costs for achievements outside the New York service area[20].

Q. What was the Commission's reaction to the release of the NorthStar Report?

A. In the May 25, 2025 press release announcing the availability of the NorthStar Report, PSC Chair Rory Christian stated that:

> "The scope of this audit focused on ways to provide value to NYSEG's and RG&E's customers, while also reviewing core utility operations. Department staff also identified certain audit findings and other information that certain company practices may be violations of Commission regulations or orders; the companies will now have an opportunity to respond to Staff's contentions." [21]

The press release went on to cite notable findings from the audit, including:

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[17] *NorthStar Report*, at I-3.
[18] *NorthStar Report*, at I-5.
[19] *NorthStar Report*, at I-6.
[20] *NorthStar Report*, at I-8.
[21] See: *PSC Releases Audit of NYSEG and RG&E*, May 25 2025, Case 23-M-0103. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B0F3E996-0000-CB6B-8CD4-D1ED34C1EFC1}.

- Cost Allocations and Service Level Agreements: The auditor found that Avangrid's complex corporate structure makes it difficult to determine if the charges it allocates to NYSEG and RG&E are based on cost causation. The companies receive goods and services from 13 corporate affiliates. Some of those affiliates are holding companies for multiple utilities, thereby limiting the transparency of the allocations and making it difficult to ascertain whether costs are being allocated appropriately. The auditor recommends that the companies revise and update the Cost Allocation Manual and simplify the cost allocation process.
- Performance Management and Incentive Compensation: According to the auditor, all performance management activities occur at the Avangrid level. Avangrid does not develop operational plans to achieve goals related to NYSEG and RG&E. The auditor found that incentive payouts for executives are subjective and are not based on attaining goals specific to NYSEG and RG&E. The audit recommends that Avangrid conduct a third-party review of the NYSEG and RG&E CEO's individual metrics and discontinue discretionary assessments.
- Physical and Cyber Security: The auditor noted that physical and cyber security programs are administered at the Avangrid level and that the cyber security program is not maturing as it should, despite cost increases. The auditor recommended that Avangrid strengthen its cyber security planning documents and metrics used to track performance and improve reporting to staff.
- Electric Operations: The auditor stated that asset management is also handled at the Avangrid level. Avangrid has not implemented a formalized and integrated asset management software platform and still relies on spreadsheets. Avangrid underspends on asset management, contributing to NYSEG's poor electric reliability performance. The audit recommends that Avangrid implement an asset management system for NYSEG and RG&E.
- Customer Operations: The auditor found that Avangrid does not have appropriate controls for customer service outsourcing, augmented staffing invoice review and approval, or contract management. The auditor recommends that Avangrid

> determine drivers of call center cost increases and verify whether they are attributable to NYSEG and RG&E. The auditor also found that the companies' customer service performance indicator (CSPI) metric reports have been inaccurate and recommends that Avangrid update its CSPI process documentation, create a formal override process, and enhance quality control.

In addition, the press release indicated that DPS Staff had issued a notice of apparent violations (NOAV) against the utilities stemming from its review of information concerning the utilities' recent operations that the companies must respond to within 21 days.

Q. How did the Companies respond to these findings?

A. In its June 18, 2025, *Implementation Plans* filing in Case 23-M-0103, the Companies adopted about 85% of the 128 recommendations made by NorthStar, including most of those related to the Commission's press release[22], including but not limited to recommendations to:

<u>Governance and Management</u>

- Develop service level agreements ("SLAs") that include detailed descriptions of services to be provided to clients such as NYSEG and RG&E;
- Revise and update the cost allocation manual ("CAM");
- Provide comparisons of cost competitiveness between SLA products and services versus third-party providers;
- Develop and report SLA true-up for budget amounts and invoice amounts;
- Provide a review of SLA agreed-upon service level expectations;
- Provide a detailed comparison of actual versus budgeted services/expenditures;
- Develop specific strategic planning processes for NYSEG and RG&E;

<u>Budget and Finance</u>

[22] See: *Implementation Plans*, NYSEG and RG&E, Case 23-M-0103. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40F38397-0000-C120-9A8C-C2B1D73E3053}.

- Simplify the service company cost-allocation process. Increase the illustration and support documentation so the user can easily understand and verify the allocations to the FERC Form 1. Prepare annual report supporting amounts charged to NYSEG and RG&E. Reporting should be provided to DPS during interim periods between rate cases to support affiliate charges;

Project Management

- Conduct an independent, third-party audit with DPS oversight of Avangrid's record management practices including electric/gas program/project records;
- Initiate independent review with DPS oversight to determine if Avangrid is following its project management policies and procedures on select projects;

Work Management

- Integrate NYSEG/RG&E workload information with SLA recommendations;
- Establish formal processes to use work management data as part of annual business planning for NYSEG and RG&E operations and maintenance;
- Refine formal work management practices for NYSEG and RG&E engineering and design functions. Develop and report on NYSEG/RG&E overtime targets and performance metrics operations and maintenance organizations;

Customer Operations

- Determine drivers of substantial increase in Call Center costs between 2018 and 2023. Ensure costs are directly attributable to NYSEG and RG&E;
- Unsupported expenses that cannot be substantiated and proven to be directly attributable to services for NYSEG and RG&E, should be paid by shareholders;
- Create a formal customer service-related invoice review process ensuring that charges to NYSEG and RG&E can be directed supported;
- Review Marketing and Outreach costs to determine if attributability to NYSEG and RG&E. Eliminate those that are not;

Information Systems

- Complete all IT Project Definition Documents ("PDDs") according to Avangrid's documented instructions. Ensure all PDDs clearly map to specific NYSEG and RG&E strategic objectives;
- Ensure vendor costs are directly charged for work performed on behalf of specific utilities. Where costs cannot be directly charged, clearly document planned allocation methodology and reasons for adjustments;

<u>Procurement</u>

- Develop semi-annual report on purchasing performance directly applicable to NYSEG and to RG&E.;
- Formally define how Supplier Diversity identification and certification will be conducted for NYSEG and for RG&E;
- Develop comprehensive performance metrics for Supplier Diversity procurement applicable to NYSEG and to RG&E;
- Develop a comprehensive, semi-annual report on Supplier Diversity purchasing performance directly applicable to NYSEG and to RG&E supported by verifiable data. Ensure reports and supporting data readily available and produced for the next management audit, and;

<u>Performance Management</u>

- To the extent that New York ratepayers have contributed to annual incentive payments to Avangrid employees (i.e. ASC, AMC, NYSEG and RG&E), NYSEG and RG&E should adjust incentive compensation for performance metrics not related to NYSEG and RG&E and where NYSEG and RG&E performance did not meet targets.

Q. Does adoption of these recommendations by NYSEG and RG&E alleviate your concerns about the reliability of the historical data presented by the Companies in these proceedings?

A. No. In my view, the Companies' acceptance, without exception, of the above-cited NorthStar recommendations lends credence to the underlying findings that gave rise to each recommendation. Unfortunately, the Companies' agreement to address these issues, even if actually implemented, will only improve NYSEG/RG&E data prospectively; with little if any impact on the historical data the Companies have presented in these proceedings.

Q. Did the Companies adopt NorthStar's recommendation that an independent, third-party audit be conducted of storm costs, without suggesting it be modified or rejected?

A. No, they suggested that this recommendation be rejected.[23]

Q. Are there any other independent investigations, reviews or studies recommended by NorthStar that the Companies did not adopt without requesting modification or further information/clarification; or that they suggested be rejected?

A. Yes. NorthStar recommended four other independent investigations, reviews or studies. For some, modifications were either requested or recommended; others the Companies recommended rejecting, as follows:

- Having an independent, third-party firm specializing in enterprise risk management ("ERM") maturity assessments conduct a comprehensive study of Avangrid's ERM program using industry accepted standards (Companies requested modification[24]);
- Engaging an independent monitor to oversee electric and gas program/project planning, management and delivery. Key responsibility of the independent monitor is to review and report to DPS Staff on effectiveness of capital program/project planning, capital budgeting processes and program/project management, plus program/project cost effectiveness, efficiency, appropriate cost assignment, benefit realization and tracking, and other information. Include DPS in RFP development, vendor proposal review and selection, and

[23] See: *Implementation Plans*, NYSEG and RG&E, Case 23-M-0103, at PDF 114. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40F38397-0000-C120-9A8C-C2B1D73E3053}.
[24] See: *Implementation Plans*, NYSEG and RG&E, Case 23-M-0103, at PDF 66. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40F38397-0000-C120-9A8C-C2B1D73E3053}.

contracting. Shareholders should be responsible for the cost of the independent monitor (Companies recommended modification[25]);

- Engaging a third-party to perform an independent and thorough study of Avangrid's IT project delivery practices. Incorporate recommendations into IT project management policies and procedures. Provide a full copy of the study results and revised IT policies and procedures to DPS (Companies recommended rejecting[26]);

- Initiating an independent review with DPS oversight of AMI and other IT projects to quantify the cost of unreasonable management (Companies recommended rejecting[27]);

Q. Has the Commission approved the Companies' implementation plan?

A. As of October 27, 2025, it had not. The filings in Case 23-M-0103 only show an August 8, 2025 filing by the Companies that appears to respond to a directive that the Companies revise their implementation plan regarding certain NorthStar recommendations. The Commission's May 19, 2025 press release announcing the availability of the NorthStar Report indicates that Staff will review NYSEG's and RG&E's implementation plan; that the implementation plan will be submitted for public comment; and that a final implementation will be presented to the Commission for approval or modification at a future session. The press release further states that Staff will also review the Companies' response to the NOAV and determine what, if any, additional enforcement actions are warranted.

Q. What is your recommendation in the context of these proceedings?

A. I recommend that the Commission require that each of the independent investigations, reviews and studies proposed by NorthStar be undertaken. In the context of these proceedings, I propose that each independent initiative have as one of its objectives the quantification of any findings that have an impact on historical financial data provided by

[25] *Id.*, at PDF 223.
[26] *Id.*, at PDF 529.
[27] *Id.*, at PDF 601.

the Companies. Any adjustments to historical data that result should have two consequences: first, that NYSEG and RG&E ratepayers should be furnished with bill credits (not deferrals) to the extent that they would have had any impact over their utility bills during the pendency of the rate cases to which they applied; and second, that any adjustments affecting Test Year 2024 data that can consequently be shown to have had a bearing on the setting of rates in these proceedings should also result in bill credits to ratepayers (not deferrals) and prospective adjustment of rates to account for such impacts.

Impacts On Ratepayers Of Emerging Electricity Demands Related To Data Centers

Q. Are you concerned about the potential impacts on NYSEG and RG&E ratepayers of emerging electricity demands related to data centers?

A. Yes. According to the NYISO's 2025 *Power Trends* report, data centers, fueled by the rise of generative Artificial Intelligence (AI), machine learning, and cryptocurrency mining activities, are becoming major electricity consumers. NYISO states that these centers, together with other electrification demands, could increase demand for electricity in the State an additional 1,600 megawatts (MW) to nearly 4,000 MW by 2030.[28] It is no surprise, then, that the number of new interconnection requests from large loads has more than tripled in just three years. Meanwhile, generator deactivations are expected to continue to outpace new supply additions, further narrowing reliability margins across New York.

Q. Why is this a concern in these proceedings?

A. The citing of new large load projects by 2035 is expected to be highly concentrated in NYISO load zones A and C, where NYSEG provides service to hundreds of thousands of customers.[29],[30] However, this expectation appears unrealistic in the context of NYSEG's continued electric reliability challenges. According to the Commission's *2024 Electric Reliability Performance Report* in Case 25-E-0031 (the "Reliability Report"), in each of the most recent five years, the Company has failed its System Average Interruption Frequency Index ("SAIFI") performance metric target, which does not even include major

[28] See: *Power Trends - The New York ISO Annual Grid and Markets Report (2025)*, NYISO, at 5. Available at: https://www.nyiso.com/documents/20142/2223020/2025-Power-Trends.pdf/51517a1b-36fa-4f3d-d44d-eabe23598514?t=1749138890547.
[29] See: *Power Trends - The New York ISO Annual Grid and Markets Report (2025)*, NYISO, at 7.
[30] See: *NYSEG Independent System Operator (ISO) Map*. Available at: https://www.nyseg.com/w/iso-maps.

storms.[31] NYSEG's high level of interruptions appears to have been due predominantly to tree contacts, prearranged outages, and equipment failures, which were responsible for approximately 79 percent of all interruptions in NYSEG's territory in 2024. Going forward, tree contacts and equipment failures are expected to remain the primary drivers of NYSEG's reliability problems. The Reliability Report goes on to identify that NYSEG has not used a substantial amount of its projected budget for Asset Condition work (only $80 million of approximately $184 million). It warns of the risk that existing system issues could worsen due to NYSEG's actions, which it characterizes as not aligned with levels of investment needed to maintain reliability. The Report also reiterates a key finding of the NorthStar Audit which identified the absence of a cohesive asset-management strategy and technology platform, thereby contributing to system failures and increasing reliability risk to an already aging electric infrastructure.[32]

Q. Can you provide examples of AI or Crypto data centers that have recently been proposed or become operational in the Companies service areas?

A. Yes. Since the beginning of 2022, at least three AI and/or Crypto data centers have recently been proposed and/or become operational in the NYSEG service area, including:

- Lake Mariner Data Center, 7725 Lake Rd, Barker, NY 14012 (Operational March 4, 2022)[33]
- STAMP Data Center, 1249 Stamp Dr, Alabama, NY 14013 (Proposed)[34]
- Cayuga Operating Data Center, Milliken Station Rd, Lansing, NY 14882

[31] See: *2024 Electric Reliability Performance Report*, Case 25-E-0031, at 22. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B0056597-0000-C149-A13C-FCA9758F4D01}.
[32] See: *2024 Electric Reliability Performance Report*, Case 25-E-0031, at 22 - 24. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B0056597-0000-C149-A13C-FCA9758F4D01}.
[33] See: *TeraWulf Announces Commencement of Mining Sustainable, Low-Cost Bitcoin*, March 4, 2022. Available at: https://investors.terawulf.com/news-events/press-releases/detail/41/terawulf-announces-commencement-of-mining-sustainable.
[34] See: *Final Resolution (Stream U.S. Data Centers, LLC Project)*, March 6, 2025. Available at: https://www.gcedc.com/file-library/100291/STREAMUSDataCentersLLC.FinalResolution.3.6.25.pdf.

(Proposed)[35]

Q. Do you have other concerns about the potential siting of increased numbers of AI and Crypto data centers in the Companies' service areas, besides the already challenged reliability of the NYSEG electric system?

A. Yes, I do. My principal other concern relevant to these proceedings is that these facilities will require so much energy that, in order to serve them, the Companies will need to make enormous incremental investments in infrastructure to support the loads they require; with the cost of these investments spread among all the Companies' ratepayers. As detailed in a recent Bloomberg article, widespread alarm is being expressed nationally by ratepayers, regulators, utilities and other stakeholders due to the threat of converging affordability and reliability crises driven by AI.[36] At the same time, I am not aware of any meaningfully offsetting benefits to ratepayers in the utility service areas in which these facilities are built.

Q. What is your recommendation for dealing with this issue?

A. In these proceedings, I recommend that a separate service class for both NYSEG and RG&E be established for large electric loads with the high power densities characteristic of AI and Crypto data centers. These loads should be distinguished by their tendency to generate sudden power spikes and large-scale demand fluctuations that potentially affect grid stability; as opposed the loads characteristics of most traditional data centers, chip fabs and heavy manufacturing facilities, which are also large but tend to be more stable, predictable, and continuous. I further recommend that the electric cost of service ("ECOS") study accompanying the Companies' next rate case filing be required to include the cost to serve AI and Crypto data center customers.

Bill Impacts of Company's Proposed Rate Increases

Q. Please describe the Companies' proposed increases in residential rates.

[35] See: *TeraWulf Secures Long-Term Ground Lease at Cayuga Site to Expand High-Performance Computing Infrastructure*, August 14, 2025. Available at: https://investors.terawulf.com/news-events/press-releases/detail/113/terawulf-secures-long-term-ground-lease-at-cayuga-site-to.

[36] See: AI Data Centers Are Sending Power Bills Soaring, September 30, 2025, Bloomberg.com. Available at: https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/?srnd=homepage-americas.

A. According to the Companies' filing letter, a NYSEG residential electric customer using 600 kilowatt hours (kWh) per month (a "typical" or "average" electric customer) would experience a $33.12 monthly increase, equating to a 23.7% increase in their total bill; while a NYSEG residential heating gas customer using 83 therms per month (a "typical" or "average" gas customer) would see a $33.57, or 33.5% monthly increase. The typical RG&E residential electric customer's total bill would increase $33.01 (26.0%), while the average RG&E residential heating gas customer's bill would rise $18.87, or 22.2%. (Filing Letter at 9)

Total monthly bill increases factor in changes in cost of the supply of electricity and natural gas in addition to the delivery costs of providing service, which renders "total bill" increases noticeably lower than delivery bill increases. Since delivery costs are those which the Companies control — whereas supply costs are not — delivery bill impacts are a more accurate measure of the increases proposed to be levied by the Companies upon their customers.

Q. What are the equivalent increases in the delivery charge portion for "typical" or "average" customers?

A. The electric delivery bill increase for these customers would be 37.3% and 38.3%, respectively, under the Companies' updated proposal. (Exhibit __ (RARD-7CU-Supp), Schedule 1 at 1, Schedule 2 at 1) For gas, delivery bill increase would be 46.0% for NYSEG customers and 30.0% for RG&E customers. (Exhibit __ (RARD-13CU), Schedule 1 at 1, Schedule 2 at 1)

Q. How might the Companies' proposed increases vary for other residential customers?

A. For electric customers with average monthly usage less than 600 kWh, the percentage of delivery bill increases range from 24.8% to 36.3% for NYSEG and 19.6% to 36.6% for RG&E. Above average usage electric customers would see delivery bill increases ranging from 38.0% to 42.2% (NYSEG) and 39.7% to 47.8% (RG&E). (Exhibit __ (RARD-7CU-Supp), Schedule 1 at 1, Schedule 2 at 1)

For gas customers with average monthly usage less than 80 therms, the percentage of delivery bill increases range from 12.1% to 45.1% for NYSEG and 12.3% to 29.3% for

RG&E. Above average usage electric customers would see delivery bill increases ranging from 46.9% to 68.8% for NYSEG; and 31.1% to 44.4% at RG&E. (Exhibit __ (RARD-13CU), Schedule 1 at 1, Schedule 2 at 1)

Q. Have NYSEG and RG&E furnished data on delivery rate increases for any years beyond the "Rate Year" May 1 , 2026 – April 30, 2027?

A. Yes. In their filing letter, the Companies expressed their intention to explore multiyear rate plans of up to five years in settlement discussions with the Department of Public Service and other interested parties. The Companies state that they have provided five years of data that can be for this purpose. (Filing Letter at 9 - 10) The revenue requirement forecasts for the five years ending April 30, 2027 through April 30, 2031 result in cumulative delivery rate increases before GRT of 79% for NYSEG electric, 78% for NYSEG gas, 84% for RG&E electric and 66% for RG&E gas over five years. (Exhibit ___(WDY-01) at 24)

Q. What increases are the Companies proposing for their monthly residential monthly fixed charges?

A. NYSEG proposes to increase monthly fixed charges for electric service by $2.00, or 10.5%, to $21.00; and $2.00 a month for both gas heating and non-heating service, to $22.30 (a 9.9% increase) and $18.30 (a 12.3% increase), respectively. RG&E proposes to increase electric charges by $1.00 (4.3%) and gas charges $2.00 (9.9%). The resulting monthly fixed charges for RG&E would be $24.00 and $22.30 for electric and gas, respectively. (Exhibit ___(RARD-4) at 1, ___(RARD-10) at 1)

Q. Do you have any recommendations that might facilitate a freeze, or even lowering, of monthly fixed charges?

A. Yes. I propose that the parties and the Commission explore alternative rate designs that would, at a minimum, freeze these charges and, more generally, reward conservation and energy efficiency through lower delivery bills. Such measures are sensible and promote the Public Interest in affordability and responsible environmental stewardship. Conservation-oriented rates are particularly compelling considering CLCPA goals and requirements.

Residential Arrears

Q. Since 2019, what has happened to EAP arrears at the Companies?

A. The number of NYSEG EAP accounts in arrears increased 58% from 2019 through June 2025, however, this was mostly the result of enrolling new participants during the period, a percentage of whom had arrears prior to joining the program. To put this in perspective, while there were approximately 12,000 more EAP accounts in arrears during the twelve months ended June 2025 than there were in 2019, there were also an average of about 34,000 more EAP participants for that period than there were before the pandemic. One effect of this dynamic was that the percentage of program participants in arrears remained steady, at 38% of accounts. That being said, the average past-due balance per NYSEG EAP participant during the twelve months ending in June 2025 was 86% higher than pre-pandemic levels ($1,096 vs. $590). (Exhibit ___(WDY-01) at 12).

At RG&E, a similar scenario played out: increases in the number of EAP participant accounts in arrears coincided with increased EAP enrollment, but the overall percentage of participants in arrears remained essentially unchanged, at 50%. However, the average past due balance per RG&E participant rose much more than NYSEG participants, nearly tripling, to $1,727 from $679). (Exhibit ___(WDY-01) at 19).

Q. What has happened to Non-EAP arrears at the Companies since 2019?

A. The number of NYSEG Non-EAP accounts in arrears increased 5% from 2019 through June 2025, while the arrears associated with those accounts rose collectively by 37% (from $24 million to $33 million), and per customer by 31% ($445 vs. $340). The percentage of Non-EAP customers in arrears rose from 7% during 2019 to 8% during the twelve months ended June 2025. (Exhibit ___(WDY-01) at 12).

The number of RG&E Non-EAP accounts past-due rose 10% for the period, with the overall balance owed increasing 27% (from $26 million to $34 million), and per customer by 14%, from $643 to $735. As with NYSEG, an average of 8% of RG&E Non-EAP customers were in arrears during the twelve months ended June 2025, up from 7% during 2019.

Resumption of Residential Collections Activity

Q. Have the Companies increased residential collections activities during the current rate plan?

A. Yes. The Companies resumed residential credit and collections activity in 2022, including the termination of service for non-payment of approximately 3,800 NYSEG and 1,200 RG&E customers during that year. In 2023, about 13,200 terminations were conducted by NYSEG, rising to 35,100 in 2024; while 4,100 were conducted by RG&E, rising to 12,200 in 2024. In the six months ended June 30 2025, there were 17,600 residential shutoffs performed by NYSEG and 6,200 performed by RG&E (Exhibit ___(WDY-01) at 10 – 11, 17 - 18)

Q. Are the Companies seeking resources to further increase collections activities in these proceedings?

A. Yes. According to the Customer Service Panel, the Companies propose an increase of 27 credit and collections personnel (14 at NYSEG and 13 at RG&E). The Panel states that these new hires would "support proactive collection activities, enhance communications with customers, support field collection activities year-round and result in increased revenue". New representatives would also "actively engage in outbound communication with customers to assess their eligibility for assistance programs and payment arrangements". (Customer Service Panel Testimony at 56)

Q. Do you believe that more personnel are needed support residential field collections?

A. Based on the level of residential service terminations that the Companies have been able to perform since the resumption of collections activities in 2022, I am not convinced that it is necessary to substantially increase FTEs for the purpose of conducting residential service terminations. In 2024, NYSEG terminated service to more residential customers than in any year since 2008 – 2010, which was the period and aftermath of the great financial crisis and recession. At RG&E, shutoffs were higher in 2024 than in those of any year since 2016. These levels were achieved despite the adoption of extreme heat protections in the 2022 cases that were absent prior to 2023. (Exhibit ___(WDY-01) at 6 – 12, 13 – 18)

Q. Are there circumstances that are exacerbating the risks of further utility unaffordability and, ultimately, service termination for NYSEG and RG&E residential customers having difficulty paying their bills?

A. Yes. At the federal level, passage of the "One Big Beautiful Bill" ("OBBB") resulted in benefit reductions for many assistance programs, most notably SNAP and Medicaid. Additionally, while not addressed in the OBBB, funding for HEAP in Fiscal Year 2026 will be determined through the regular appropriations process, which as of the due date of this testimony remains at impasse. The Trump administration has proposed eliminating HEAP, which many low-income utility customers depend upon for financial assistance when they fall behind. Although HEAP continues to enjoy strong bipartisan support in Congress, there can be no assurance that the program will be funded once the current budget impasse is resolved.

Q. In light of these developments, what is your recommendation for avoiding reductions in the number of NYSEG and RG&E customers enrolled in EAP based on the criteria of the current statewide energy affordability framework?

A. I propose that in any multi-year settlement resulting from these proceedings, the Companies agree to submit a petition to the Commission to suspend dis-enrollments of EAP participants until such time as the State has been able to offset the negative impacts upon enrollment that would be caused by reductions or elimination of federal funding. Such mitigating offsets could be expected to include a combination of additional State funding for EAP and/or changes to the overall energy affordability framework.

Should it be possible for NYSEG and RG&E to suspend dis-enrollments of EAP participants without the need for a Commission Order, I recommend that they take this step accordingly.

Q. Has PULP already expressed concern publicly about the possibility large numbers of residential utility customers statewide could experience service termination?

A. Yes. On April 15 2025, PULP and AARP filed a joint letter to PSC Commission Chair Rory Christian in Case 14-M-0565[37], as well as individual letters to the leadership of each of the States major electric and gas utilities[38], urging that numerous actions be taken to help customers manage their arrears and ultimately help them prevent service termination for nonpayment. (Exhibit ___(WDY-14) at 18). The actions urged included:

- Offering more flexible and affordable payment agreements to all utility customers;
- Waiving the use of financial statements for setting affordable payment agreements when the customer can make a down payment of 5% or greater of the total arrears;
- Offering anyone who is in the Energy Affordability Program ("EAP") a new minimum Deferred Payment Arrangement ("DPA"), no matter their prior history with payment agreements;
- Suspending late fees for any customer who makes a partial or full payment, and waiving the prior month's late fees as a result of that payment;
- Increasing direct outreach efforts, beginning with customers enrolled in the EAP, with a focus on phone calls to establish direct communication with households;
- Increasing direct outreach to any customer behind by 60 days or more;
- Increasing direct outreach efforts to households where a direct communication has never been established, regardless of whether a customer's account is at risk of shut off, as a best practice to directly communicate with all customers as a proactive measure due to the uncertainty of the HEAP and Emergency HEAP programs for the next heating season;
- Screening all callers for financial assistance;

[37] *See*, *Letter to Hon. Rory M. Christian, Chair, New York State Public Service Commission Re: Utility Related Requests to Help Utility Customers with Their Arrears*, PULP & AARP, Case 14-M-0565. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={A0E33996-0000-C467-8AF9-3C6E0A7A15F0}.
[38] Letters were sent to: The Companies, NYSEG/RG&E, Central Hudson, National Grid, Orange and Rockland, NFG, LIPA/PSEG, as well as the Department of Public Service.

- Screening all callers for account coding related to medical emergencies, life-sustaining equipment, or indicators that the customer is elderly, blind, or disabled;
- Increasing the grant amount and expand eligibility for each utility company's own funded financial assistance programs, and;
- Creating a DPS webpage that provides information and application related resources for the utility companies' independent grant programs.

Q. How many residential service terminations have the Companies performed since the end of the heating season?

A. Since April, NYSEG has terminated 10,103 residential accounts, 2,744 (37%) more than the 7,359 shutoffs during the equivalent period in 2024. Similarly, RG&E disconnected 4,681 accounts from May through June, 3,311, or more than 340%, above the 1,370 accounts it terminated in the same months of 2024. Non-EAP customers represented the vast majority of shutoffs at each company after April 2025, with EAP participants accounting for only 10% of NYSEG terminations and just 5% of RG&E terminations. (Exhibit ___(WDY-01) at 2 – 5, 11, 18)

Q. Do you support the actions urged by PULP/AARP to help customers prevent service termination for nonpayment in the Companies' service areas?

A. Yes.

Q. Does the public have an interest in the continuity of utility service for all residential customers?

A. Yes. The public's interest in the continuity of utility service for all residential customers is elucidated in the 1982 Home Energy Fair Practices Act, or "HEFPA", which states:

> It is hereby declared to be the policy of this state that the continued provision of all or any part of such gas, electric and steam service to all residential customers without unreasonable qualifications or lengthy delays is necessary for the preservation of the health and general welfare and is in the public interest.[39]

[39] PSL Article 2 §30.

The public's interest in keeping customers connected to the utility system is also articulated in the DPS Staff Consumer Policy Panel in Cases 16-E-0060 et al.:

> HEFPA and Commission regulations implementing HEFPA include many provisions designed to keep customers connected to the utility system without jeopardizing the utility's financial health, such as increasing uncollectibles. HEFPA also prescribes the minimum steps that utilities must take before they can terminate the service of residential customers for nonpayment. ***Excessive use of service terminations as a credit and collections tool may jeopardize the health, safety, and welfare of customers.***[40]
>
> (***Emphasis added***)

Q. Can you provide an example of how helping customers manage their arrears could benefit both the individual ratepayers receiving assistance; and ratepayers in general?

A. Yes. Take, for example, the idea of making it easier for customers to obtain affordable DPAs: to the extent that customers are able to keep current on these arrangements, they are shielded from incurring further late payment charges. True, the Company still recovers *carrying charges* on the DPA balances themselves, which *are* collected from all ratepayers. But the spiraling of late payment charges ends for those customers who can keep their DPAs current. This serves the interests of all ratepayers by avoiding the *double burden* of having to fund mounting, often uncollectible accrued late payment charges, *on top of the carrying charges* they already incur on the underlying arrears balances. This dynamic came to be understood by the stakeholders in Cases 14-M-0565 and 20-M-0266 in developing Phase 2 arrears relief, wherein the "cost of inaction" (i.e. doing nothing to help customers manage their arrears) was identified, including the potential costs of incremental uncollectible expense, incremental financing associated with the higher arrears, and incremental operation and maintenance (O&M) costs.[41]

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[40] *See*, Cases 16-E-0060 et al., *Prepared Testimony of Staff Consumer Policy Panel*, at 70 – 71. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={09890564-C8FE-4A41-A464-C106228ADCDC}.

[41] *See*, Cases 14-M-0565 and 20-M-0266, *Phase 2 Arrears Report*, at 10. Available at:

Low-Income Energy Burdens

Q. Please describe the first part of your analysis of the energy burdens of low-income households in the Companies' service areas.

A. In the first part of my analysis, I estimated the total number of households residing in U.S. Census Bureau-designated geographic units called "Public Use Microdata Areas" ("PUMAs") in which the Companies provides service. Hereinafter I shall refer to these households as "households in PUMAs in which the Companies provide service."

Next, I estimated how many households in PUMAs in which the Companies provide service could be considered presumptively eligible for non-emergency Home Energy Assistance Program ("HEAP") benefits by virtue of the income they reported in the U.S. Census Bureau's 2023 American Community Survey ("ACS"), their household size, and their reported payment for utility electric or gas service ("HEAP-Eligible" households). I estimated that in 2023 (the most current ACS) there were 609,561 such households in PUMAs where NYSEG provides service, and 158,652 in PUMAs where RG&E provides service. (Exhibit ___(WDY-5) at 2-3; Exhibit ___(WDY-08) at 2).

Lastly, using the Companies' responses to I/Rs PULP-01 and PULP-02, I estimated how many HEAP-eligible households in the service area were actual customers of the Companies, and therefore potentially eligible for the Energy Affordability Program ("EAP"). I did so by summarizing the number of residential customers for each company by PUMA and then applying my estimate of the percentage of HEAP-eligible households for each PUMA to arrive an estimate that in 2023, there were 203,404 NYSEG customers and 99,157 RG&E customers potentially eligible for EAP. In my testimony that follows, I will refer to these households as "households potentially eligible for EAP." (Exhibit ___(WDY-02) at 25 - 26).

Q. What is the American Community Survey ("ACS")?

A. The ACS is a nationwide, continuous survey designed to provide communities with reliable and timely social, economic, housing, and demographic data every year. It is conducted by the U.S. Census Bureau throughout the year. ACS questions are designed to provide measures of socioeconomic conditions using a weighting method that ensures its estimates are consistent with official Census Bureau population estimates by age, sex, race, and Hispanic origin, as well as estimates of total housing units.

The ACS includes questions about household use and cost of electricity, natural gas and deliverable fuels. When combined with household income data, these costs provide instructive measures of energy affordability. For example, the federal government uses energy affordability data in the Low-Income Home Energy Assistance Program ("LIHEAP") to calculate its block grant allocations for each state.[42,43] Other federal uses include, but are not limited to:

- The calculation of overall housing cost burdens for purposes of allocating funds for the Community Development Block Grants, HOME Investment Partnership Program, and Emergency Solutions Grant and Housing Opportunities for Persons with AIDS programs;
- Identification of rental distribution of housing units used to determine Fair Market Rents (FMRs);
- Assessment of poverty, and determination of eligibility for housing assistance programs, including the need for housing assistance for low-income, including elderly low-income, households; and
- Estimation of utility costs included in rents for the Consumer Price Index (CPI).

Q. Why didn't you include any of the other public assistance programs set forth by the Commission in recent updates to statewide EAP eligibility criteria in your analysis of potentially EAP-eligible customers?

A. In its August 12, 2021, *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings* in Case 14-M-0565 ("EAP Update Order"),[44] the Commission

[42] *See*, *Why We Ask: Cost of Utilities and Condominium Fees*, U.S. Census Bureau. Available at: https://www2.census.gov/programs-surveys/acs/about/qbyqfact/CostofUtilities_CondoFees.pdf.
[43] *See*, *Why We Ask Questions About Income*, U.S. Census Bureau. Available at: https://www.census.gov/acs/www/about/why-we-ask-each-question/income/.
[44] *See*, Case 14-M-0565, *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings*, at 20. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1CFD4CE2-AB87-4A8C-B56B-F123366B1520}. The EAP Update Order expanded eligibility beyond HEAP to include, through household self-certification, proof of enrollment in public assistance programs associated with the federal Lifeline

determined, that in addition to receipt of HEAP, participation in any public assistance program associated with eligibility for federal Lifeline benefits would also confer EAP eligibility. The HEAP eligibility guidelines have the highest monthly income allowances of all these programs. For instance, for the 2022-23 season, two-member households with monthly income of up to $3,730 were eligible for HEAP, while the same households could only have $1,984 of income and still have qualified for SNAP (formerly known as "Food Stamps") benefits.[45] As the Commission stated in justifying the expansion of eligibility-conferring criteria:[46]

> Including public assistance programs associated with the federal Lifeline program is reasonable because the income eligibility criteria is lower than HEAP.

Q. Would all of the HEAP-eligible households you estimated in your analysis be automatically eligible for EAP?

A. No. In order to achieve EAP eligibility, such households would have to be the Companies' customers receiving one of the forms of public assistance outlined in the EAP Update Order.[47] In this regard, I note that the Companies, along with the other major investor-owned electric and gas utilities (the "JU"), have adopted the practice of enrolling customers in their EAPs through self-certification as long as one of members of the household is a "Benefit Qualifying Person"; that is, a member different from the customer who receives an EAP eligibility-conferring benefit.[48],[49] I therefore conclude that while my estimate that

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program. These include Supplemental Security Income ("SSI") and Supplemental Nutrition Assistance Program ("SNAP").

[45] *See*, *Programs and Services*, New York State Office of Temporary and Disability Assistance. Available at: https://otda.ny.gov/programs/.

[46] *See*, Case 14-M-0565, *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings*, at 20. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1CFD4CE2-AB87-4A8C-B56B-F123366B1520}.

[47] *See*, *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings*, Case 14-M-0565, at 20. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1CFD4CE2-AB87-4A8C-B56B-F123366B1520}.

[48] *See*, *Energy Affordability Program Application*, New York State Electric & Gas. Available at: https://www.nyseg.com/documents/40132/5890497/FINAL+NPPF001+NYSEG+EAP+Application+Design+10.30.24.pdf/9ec15fcd-cd58-45be-96e0-2486b510a356?t=1730317385532.

[49] *See*, *Energy Affordability Program Application*, Rochester Gas & Electric. Available at: https://www.rge.com/documents/40137/2120913/FINAL+RPPF001+RGE+EAP+Application+Design+10.30.24.pdf/c73f0035-7011-4f97-d0f2-5572ab650d7a?t=1730321337506.

a combined total of 302,561 NYSEG and RG&E customers were *potentially* eligible for EAP in 2023, there are factors that must be considered that could result in less customers *actually* being eligible.

Q. Did you consider the possibility that some of the HEAP-Eligible households reporting that they paid their owned electric bill in 2023 may have been submetered tenants and therefore not eligible for The Companies's EAP because they were not customers of the Company?

A. Yes. Exhibit ___(WDY-14), at 2 - 18, contains the July 18, 2024 response to a PULP FOIL request to the Department of Public Service for an accounting of all submetered electric buildings in New York State, including those in the Companies' service areas. The FOIL request asks for the total number of submetered dwellings, including the number of such dwellings having indications that they may be occupied by low-income households. There were only two electric submetered properties—both in the City of Rochester— listed in this response with a total of 35 submetered units. Neither bore indications suggesting that some of their units could be occupied by low-income households. (Exhibit ___(WDY-14) at 10).

Q. Were you able to estimate the number of HEAP-eligible households in the Companies' service areas by income range?

A. Yes. I estimate that, of the 609,561 HEAP-eligible households that I estimate resided in PUMAs in which NYSEG provided service in 2023, and who reported paying for their own utility electric or gas service, 32% (194,830) had incomes at or below the federal poverty level for a family of their household size ("FPL"). Another 13% (78,502 households) had incomes between 100% and 130% of the FPL. The remaining 56% (336,229 households) had incomes above 130% of the FPL and up to 60% of the State median income ("SMI"). (Of this last income range, 228,770 households indicated that they had one or more vulnerable members such as a child under six years of age, an adult aged sixty or older, or a person(s) with disabilities. The remaining 107,459 households in this cohort did not indicate that any members had such vulnerabilities.). (Exhibit ___(WDY-5) at 2 – 3).

In PUMAs in which RG&E provided service in 2023, I found that, of the 158,652 HEAP-eligible households I estimated paying for their own utility electric or gas service, 31% (49,712) had incomes at or below the federal poverty level for a family of their household size ("FPL"). Another 13% (20,663 households) had incomes between 100% and 130% of the FPL. The remaining 56% (88.277 households) had incomes above 130% of the FPL and up to 60% of the State median income ("SMI"). (Of this last income range, 59,850 households indicated that they had one or more vulnerable members such as a child under six years of age, an adult aged sixty or older, or a person(s) with disabilities. The remaining 28,427 households in this cohort did not indicate that any members had such vulnerabilities.). (Exhibit ___(WDY-08) at 2).

Q. Please describe the energy burden data you analyzed that provides evidence that a significant number of low-income customers in NYSEG and RG&E service areas would not be able to afford the Companies' proposed rate increases.

A. I estimate that HEAP-eligible households in PUMAs where NYSEG provides service had total energy burdens — comprised of electric and gas utility costs, plus the cost of deliverable fuels — averaging 11.4% of their income in 2023, 90% higher than the Commission's maximum 6% of household income target.[50] About 67% of HEAP-eligible households in these areas reported total energy burdens greater than the 6% target. I further estimate that approximately 43% of such households reported total energy burdens exceeding ten percent (10%) of their incomes, indicating that they were "severely burdened" by their energy costs.[51] (Exhibit ___(WDY-05) at 12, 14, 16).

In PUMAs where RG&E provides service, I estimate that HEAP-eligible households had total energy burdens averaging 10.9% of their income in 2023, 82% higher than the Commission's maximum 6% of household income target.[52] About 64% of HEAP-eligible

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[50] See: *Order Adopting Low Income Program Modifications and Directing Utility Filings*, Case 14-M-0565, at 3. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={BC2F31C9-B563-4DD6-B1EA-81A830B77276}.

[51] *See*, *How High Are Household Energy Burdens?*, American Council for an Energy-Efficient Economy ("ACEEE"), at ii. Available at: https://www.energy.gov/sites/default/files/2022-10/16.%20How%20high%20are%20household%20energy%20burdens_ds_0.pdf.

[52] See: *Order Adopting Low Income Program Modifications and Directing Utility Filings*, Case 14-M-0565, at 3. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={BC2F31C9-B563-4DD6-B1EA-81A830B77276}.

households in these areas reported total energy burdens greater than the 6% target. I further estimate that approximately 42% of such households reported total energy burdens exceeding ten percent (10%) of their incomes, indicating that they were "severely burdened" by their energy costs. (Exhibit ___(WDY-08) at 11, 13, 15).

Energy Affordability Program Enrollment

PROGRESS SINCE 2019

Q. Has overall enrollment in the NYSEG and RG&E energy affordability programs increased since 2019?

A. Overall, EAP enrollment at the Companies has shown substantial progress since 2019. On a trailing four-quarter average basis, enrollment at NYSEG rose 64%, from 52,765 participants during calendar year 2019 to 86,411 participants during the twelve months ended June. During the same period, enrollment in RG&E's EAP increased 25% from 39,562 to 49,602 participants[53] (Exhibit ___(WDY-01) at 2-5).

Q. How do June 2025 enrollment levels compare to the number of households potentially eligible for EAP in 2023?

A. Compared to my estimate that 203,404 NYSEG customers and 99,157 RG&E customers were potentially eligible for EAP in 2023, an average of 42% were enrolled in the NYSEG plan and 50% were enrolled in the RG&E plan during the twelve months ended June 2025. (Exhibit ___(WDY-01) at 2 - 5; Exhibit ___(WDY-02) at 25 – 26).

Q. Has the ability for NYSEG and RG&E customers to self-certify their eligibility in EAP impacted enrollment significantly?

A. No. Based on the annual low-income reports filed by the Companies since the Commission's August 12, 2021, *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings* in Case 14-M-0565 (the "August 2021 Order")[54], I conclude that EAP self-certification during any December 1 – November 30

[53] EAP reporting requirements changed from quarterly to monthly between 2019 and 2025.
[54] See: *Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings*, Case 14-M-0565, at 3. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1CFD4CE2-AB87-4A8C-B56B-F123366B1520}.

program year since 2022 has contributed little to EAP enrollment at the Companies, especially at RG&E. As of November 30, 2022, just 1,092 NYSEG (1.3%) and 275 RG&E (0.5%) participants were "self-certifiers". [55] By the end of the 2023 program year, self-certifiers had declined to 830 for NYSEG (0.9%) and 235 for RG&E (0.5%).[56] And as of November 30, 2024 there were 1,155 active self-certification participants at NYSEG (1.3%); but only 78 at RG&E (just 0.2%)[57] (Exhibit ___(WDY-02) at 2 - 5) Moreover, in their reports the Companies indicate that, if customers have both electric and gas meters, they are counted twice.

Q. Why is this important?

A. Initially, in the August 2021 Order, the Commission saw self-certification as a necessary first step enabling the use of an expanded number of assistance programs in which participation conferred eligibility for EAP, until a more comprehensive automated file-matching system that affirmatively identified such customers could be implemented.[58] More recently, with uncertainty surrounding the future funding of many eligibility-conferring programs, such as HEAP, SNAP and Medicaid, it has become more important than ever to have an alternative way to identify participation in other assistance programs should customers become uncovered by any one program. For example, customers whose lose HEAP grants due to federal cutbacks might also retain SNAP or Medicaid benefits and achieve EAP eligibility through those programs.

Q. Has EAP self-certification had more of a positive impact for other major utilities in New York State?

A. Yes. As I have identified in testimony in other rate cases since the August 2021 Order, meaningful contributions to increased and/or stabilized rates of EAP participation through

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[55] See: *NYSEG-RGE Annual Energy Affordability Policy Report, December 1 2021 – November 30 2022*, Case 14-M-0565. At 5. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={317A4E30-A2FC-4490-896C-30768DF4C2AA}.
[56] See: *NYSEG-RGE Annual Energy Affordability Policy Report, December 1 2022 – November 30 2023*, Case 14-M-0565. At 5. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B06A568D-0000-C010-87AC-028893ED0812}.
[57] See: *NYSEG-RGE Annual Energy Affordability Policy Report, December 1 2023 – November 30 2024*, Case 14-M-0565. At 5. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={10B59894-0000-C716-8D7D-A90D2098705C}.
[58] August 2021 Order, at 21.

self-certification have been attained by most of the State's other major utilities, including Central Hudson[59], Con Edison[60], KEDLI/KEDNY[61] and Orange and Rockland[62].

Q. Given the importance that self-certification seems to be assuming as far as maintaining EAP enrollment levels among the State's major utilities, do you have any proposals to track self-certifications during the next NYSEG and RG&E rate plans?

A. Yes. I recommend that a customer service quality metric ("CSQM") be adopted that, on a monthly basis, tracks EAP self-certifications and manual enrollments by NYSEG and RG&E. The Company would file quarterly reports in this proceeding and Case 14-M-0565 tracking the monthly activity for each category. To help promote a better, more "real-time" understanding of what is working, or not working pertaining to EAP enrollment efforts, such reports would also include narrative explanations of the Companies' activities during the period and its assessment of the reasons for material changes in self-certifications and manual enrollments. The proposed metric would not have any associated positive or negative revenue adjustments, since its main purpose would simply be to provide more timely insights on the effectiveness of the self-certification process.

Q. Has proposed monthly reporting of EAP self-certification been adopted in settled outcomes in any other rate cases?

A. Yes. The signatory parties in Cases 24-E-0322 et al. adopted a proposal that Niagara Mohawk begin tracking and recording monthly EAP self-enrollments and include the

[59] See: *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 24-E-0461 et al., at 10. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={00905593-0000-CC16-A439-2BE3C1C4B846}.

[60] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 25-E-0072 et al., at 13. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={909C2297-0000-C67A-A438-27D68B2FCD91}.

[61] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc. (Corrected)*, Cases 23-G-0225 et al., at 28. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40B5AD8A-0000-CB14-9F9D-99811D3A3BB0}.

[62] *Testimony of William D. Yates, CPA, for the Public Utility Law Project of New York, Inc.*, Cases 24-E-0060 et al., at 20. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={8096AB8F-0000-CC32-8401-669337638FED}.

information in its reporting in Case 14-M-0565.[63] This provision was approved by the Commission in its Order adopting the terms of the Joint Proposal.[64]

IMPLICATIONS OF STATE AND FEDERAL POLICIES

Q. Are there any new policy initiatives involving automated matching of utility customers with records maintained by the Office of Temporary and Disability Assistance ("OTDA") at the State level, and the New York City Department of Human Resources Administration ("HRA") at the local level?

A. Yes. In December 2023, legislation was enacted in New York requiring the State's Office of Temporary and Disability Assistance ("OTDA") to establish a statewide program for automated identification of eligible EAP participants. ("Data Match Legislation")[65]

Q. Have potential limitations on the data that may be shared by OTDA come to light in conjunction with this legislation?

A. Yes. The Data Match Legislation specifies that automatic file matching can only be conducted "to the extent permitted by federal law".[66] In practice, this means that large numbers of the Companies' customers who are eligible for EAP by virtue of receipt of certain Commission-ordered eligibility-conferring public assistance benefits may be deemed to have to be excluded from file matching identification to the utilities, depending on the interpretation by State officials of state or federal privacy laws. For example, in its August 15, 2023 *Status Report* in Case 14-M-0565, the EAP Working Group described a meeting it held with the New York City Human Resources Administration ("HRA") to identify barriers, regulations, and laws that stopped legacy Medicaid participants from being included in the utility Energy Affordability Program matching process. Citing federal

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[63] See: *Joint Proposal*, Cases 24-E-0322, at 92. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={90E66D96-0000-CA12-A897-0A5E5C2B9F2B}.

[64] See: *Order Adopting Terms of Joint Proposal and Establishing Rate Plans*, Cases 24-E-0322 et al. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2087A998-0000-C22F-BBDD-FA9090F43FAC}.

[65] *See*, *Utility Data Matching A08488, (Chapter Amendments to S.4548/A.4876)*, New York State Assembly. Available at: https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A08488&term=&Summary=Y&Memo=Y&Text=Y.

[66] *Id.*, at 2.

Medicaid and HIPAA[67] statutes, as well as New York State Social Services Law, the Matching Subgroup found that New York State Department of Health ("DOH") interprets the restriction to the use and disclosure of Medicaid data to "purposes directly connected to administration of medical assistance". DOH does not consider automatic enrollment in the EAP as such a purpose; therefore, it does not include Medicaid recipients in the HRA filing matching process.[68]

Q. Are there any other factors that could limit the effectiveness of automated matching of NYSEG and RG&E customers by OTDA?

A. Yes. As previously indicated, the federal government has reduced, or is considering reducing, expenditures for many assistance programs, most notably HEAP, SNAP and Medicaid. Receipt of benefits through any of these three programs alone is the method by which a vast majority of HEAP-eligible households in the Companies' service areas achieve EAP eligibility, whether through automated matching or self-certification. Therefore, any material reduction of federal funding for such programs would have an adverse — and perhaps severe — impact on EAP enrollment, unless the State and the Commission took action to mitigate such impacts.

Q. Could customers impacted by reduced federal assistance and or limitations on matching due to privacy issues be enrolled in EAP though self-certification?

A. Yes. Assuming they meet one of the eligibility conferring benefits, they could be enrolled through self-certification, especially considering the JU's practice of enrolling customers in their EAPs through self-certification as long as one of members of the household is a "Benefit Qualifying Person"; that is, a member different from the customer who receives an EAP eligibility-conferring benefit.[69],[70]

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[67] Health Insurance Portability and Accountability Act of 1996.

[68] *See*, Case 14-M-0565, *Status Report*, EAP Working Group, at 7. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={008CF989-0000-C113-A3C2-2D7A0EB048F8}.

[69] *See*, *Energy Affordability Program Application*, New York State Electric and Gas. Available at: https://www.nyseg.com/documents/40132/5890497/FINAL+NPPF001+NYSEG+EAP+Application+Design+10.30.24.pdf/9ec15fcd-cd58-45be-96e0-2486b510a356?t=1730317385532.

[70] *See*, *Energy Affordability Program Application*, Rochester Gas & Electric. Available at: https://www.rge.com/documents/40137/2120913/FINAL+RPPF001+RGE+EAP+Application+Design+10.30.24.pdf/c73f0035-7011-4f97-d0f2-5572ab650d7a?t=1730321337506.

Q. Could the Commission's newly adopted "Enhanced EAP Program" ("EEAP") mitigate some of the negative impacts of reduced or eliminated federal funding on EAP enrollment?

A. To a limited extent, this new program could provide an alternative way for customers who might have otherwise qualified for EAP to receive bill assistance. The legislature and governor directed DPS to establish in the 2023-2024 State budget. The appropriation language stated, in part, that the program:

> …provide utility bill relief to utility customers, in consultation with the energy affordability policy working group, for residential customers that do not currently qualify for the energy affordability policy program but whose income is below the state median income, provided however that the Public Service Commission shall consider the feasibility of using area median income or other eligibility thresholds in the event the use of state median income prevents reaching all households that have an energy burden greater than six percent.[71]

The Commission's July 17, 2025 *Order Adopting Enhanced Energy Affordability Policy and Directing Utility Filings* in Case 14-M-0565 provides for EEAP discounts to eligible customers whose households incomes are less than 60% of state median income ("SMI") that are equivalent to Tier 1 EAP discounts.[72] However, the Order also stipulated that an annual cap of 0.5% of utility revenues be established for this program, with an additional 0.5% that could, on a case-by-case basis, be granted to individual utilities petitioning the Commission.[73]

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[71] *See*, Cases 14-M-0565, 23-M-0298, *Staff White Paper on Implementing an Enhanced Energy Affordability Policy*, at 8 – 9. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={0076A995-0000-C691-A194-7501DFA73E7E}.

[72] See: *Order Adopting Enhanced Energy Affordability Policy and Directing Utility Filings*, Case 14-M-0565, at 23. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={A04C1998-0000-CD2F-8AD4-81B3F43F7B8E}.

[73] *Id.*, at 31.

DISPARITIES BETWEEN COMMUNITIES WITH COMPARABLY HIGH ENERGY BURDENS

Q. Were you able to compare EAP participation rates geographically among communities having comparably high energy burdens?

A. Yes. Although the Companies were not able to produce EAP participation and total residential customers by census tract in response to I/Rs PULP-01 and PULP-02, they were able to provide such data by zip code and county. (Exhibit ___(WDY-15) at 2 - 36) After cross-referencing the Companies' responses to ACS Microdata, I was able to determine that, among communities in the NYSEG service area with comparably high energy burdens among presumptively HEAP-eligible households, EAP participation as a percentage of potentially eligible households was higher in the areas such as the Southern Tier where NYSEG has a large number of residential (especially combined service) customers than in areas such as Western New York where it has high concentrations of electric-only or gas-only customers. Specifically, in Broome, Chemung, Chenango, Delaware, Schuyler, Steuben and Tompkins, about 64% of the customers I estimate are potentially eligible for EAP are enrolled; whereas in Erie County only about 29% of potentially eligible customers are enrolled. (Exhibit ___(WDY-02) at 25)

Q. Were you also able to determine EAP participation rates among communities having comparably high energy burdens in the RG&E service area?

A. Yes. In Monroe County, I found that about 57% of the customers I estimate are potentially eligible for EAP are enrolled; whereas in other parts of the RG&E service area (Allegany, Cayuga, Livingston, Ontario and Wyoming counties) only about 33% of potentially eligible customers are enrolled. (Exhibits ___(WDY-02) at 26; ___(WDY-09) at 7, 9)

Potential Impacts on Disadvantaged Communities

Q. Are you concerned that the Companies do not have the ability to track customers and EAP participants by census tract?

A. Yes. As stated in guidance set forth by the Commission[74]—for purposes of tracking clean energy and/or energy efficiency investments and benefits to disadvantaged communities (including low-income energy assistance), *the CJWG specified both a geographic component identifying census tracts meeting a broad set of environmental, social, economic and other criteria indicating community vulnerability; as well as an individual component that includes low-income households regardless of geographic location*. (*Emphasis* added)

Q. Can DACs be identified by Census Tract?

A. Yes. Column BH of the *Technical Documentation Appendix: Disadvantaged Communities Indicators Workbook [XLSX]* to the CJWG's March 27, 2023, *Final Disadvantaged Communities Criteria*, reflects, for each census tract, home energy affordability in terms of the percentage of census tracts statewide that have lower average energy burdens.[75]

Q. Can you provide an example of a geographic DAC in which households potentially eligible for EAP may be under-enrolled in comparison with other parts of the Companies' service areas?

A. Yes. The CJWG found that, In the RG&E service area, the rural disadvantaged community of Friendship in Allegany County (Census Tract 36003950600), had an average energy burden, as measured by the CJWG's "Home Energy Affordability" indicator, in the 94th percentile statewide. (Exhibit ___(WDY-02) at 29) Relatedly, I estimated that the Company had only 26% of potentially eligible households in the ACS Microdata Area in which Friendship is situated (PUMA 2500), compared to an average of 51% in the RG&E

[74] *See*, *CLCPA-Disadvantaged Communities Investment and Benefits Reporting Guidance*, NYS Department of Public Service, at 2. Available at: https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://dps.ny.gov/system/files/documents/2023/10/disadvantaged-communities-guidance.pdf%23:~:text%3DThe%2520Disadvantaged%2520Communities%2520Criteria%252C%2520as%2520adopted%2520by,of%2520tracking%2520clean%2520energy%2520and/or%2520energy%2520efficiency&ved=2ahUKEwjchsGbyPqMAxUyF1kFHRiAGr0Q-NANegQIKxAI&usg=AOvVaw0GLQeKvmbcYczSERuW3SGJ.

[75] *See*, *Technical Documentation Appendix: Disadvantaged Communities Indicators Workbook [XLSX]* at Column BH. Available at: https://climate.ny.gov/-/media/Project/Climate/Files/Disadvantaged-Communities-Criteria/Technical-Documentation-Appendix-Final-Disadvantaged-Communities-Indicator-Workbook.xlsx.

service area overall, and 57% in Monroe County. (Exhibit ___(WDY-02) at 26; ___(WDY-09) at 7, 9)

Q. Can you provide comprehensive analysis of census tracts in the Companies' service area where these disparities exist?

A. No. Because the Companies do not track their residential customers and EAP participants by census tract, I was not able to analyze these disparities on a comprehensive basis. Therefore, I had to limit my observations to illustrative examples, while also being able to identify the summary disparities I described earlier by ACS Microdata Area ("PUMA").

Q. Do you have a recommendation for eliminating the EAP enrollment rate disparity between various parts of the NYSEG and RG&E service areas?

A. Yes. In any multi-year settlement in these proceedings, I propose that NYSEG and RG&E agree to study all the factors that have led to the EAP enrollment rate disparity between the various parts of their service areas. The goal of this study should be to prioritize EAP enrollment outreach efforts that are focused on reducing high energy burdens in all communities in their service areas, whether or not they are designated as DACs. If the Companies decide to use data provided by the CJWG to accomplish this, I recommend they first summarize their residential customers and EAP participants by census tract. This will allow them to identify which communities (census tracts) are both the most highly burdened and most under-enrolled in EAP, and to target outreach accordingly.

Alternatively, NYSEG and RG&E could use ACS Microdata ("PUMA data") such as I have provided in my testimony, in which case their focus should be prioritized on parts of their service areas where they have significant number of residential customers (for example, more than 1,000 customers), but where EAP participation rates are lower than my estimate of the percentage of potentially eligible customers actually enrolled in EAP. For NYSEG, this would mean focusing on 200, 403, and most of the Erie County PUMAs where service is provided.

Whichever method is chosen, the Companies can accomplish the twin goals of narrowing the enrollment rate disparity between the various parts of their service areas, and increasing EAP participation rates overall.

Q. Has the Commission ruled on the applicability of CLCPA section 7(3) to rate cases?

A. Yes. In its *Order Approving Joint Proposal, as Modified, and Imposing Additional Requirements*, in Cases 19-G-0309 et al., the Commission determined that the CLCPA applied to the Joint Proposal in those cases:

> Having considered the matter at great length, we are persuaded that [CLCPA] Sections 7(2) and 7(3) are applicable to the Commission's actions here.[76]

In regard to Section 7(3) specifically, the Commission observed that:

> Section 7(3) provides as follows:
>
> > In considering and issuing permits, licenses, and other administrative approvals and decisions, including but not limited to the execution of grants, loans, and contracts, pursuant to article 75 of the environmental conservation law, all state agencies, offices, authorities, and divisions shall not disproportionately burden disadvantaged communities as identified pursuant to subdivision 5 of section 75-0101 of the environmental conservation law.
>
> As the language of Section 7(3) also requires application of its terms to agency issuance of "other administrative approvals and decisions, including but not limited to the execution of grants, loans, and contracts," the interpretation provided for Section 7(2), above, also applies here.
>
> In sum, we find Section 7(2) and (3) applicable to rate cases.[77]

Q. What is your recommendation in light of this finding?

A. I recommend that the parties and the Commission use this information to analyze the extent to which any proposed bill impacts in these proceedings would cause residents in DACs to

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[76] *See*, Cases 19-G-0309 et al., *Order Approving Joint Proposal, as Modified, and Imposing Additional Requirements*, at 69. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={CC550437-3EC4-4F79-8F83-CFA85C572020}.

[77] *Id.*, at 70.

be disproportionately energy burdened, and to ensure that decisions made herein comply with Section 7(3) of the CLCPA.

Return On Equity ("ROE")

Q. What is the purpose of this section of your testimony?

A. The purpose of this part of my testimony is to make certain recommendations pertaining to the Companies' return on equity ("ROE") that are designed to improve the affordability NYSEG and RG&E utility bills. I make three main recommendations. First, I recommend that any multi-year settlement in these proceedings include an annual "true-up" of the Companies' authorized ROE to the Department of Public Service's Staff ROE Model for each year; a deferral of any revenues derived from authorized ROE in excess of or below true-up ROE; and an additional deferral of revenues subject to sharing with customers because they were derived from actual ROEs exceeding true-up ROE (hereinafter, "true-up and sharing mechanism"). Second, I propose that a study be conducted during the rate plan; the objective of which would be to estimate the potential range of impacts that "truing-up" authorized ROE to SRM output annually from 2010 to 2025 would have had upon the Companies' cost of capital, and upon the incremental resources that would have been necessary for parties to participate in the Companies' rate cases. Third, in the event that a multi-year settlement is reached in which these proposals are not adopted, I set forth a design for a more equitable earnings sharing mechanism ("ESM") that would allocate significantly more shared earnings to ratepayers than has been the case historically.

Q. Why do you think that an annual true-up and sharing mechanism of the Companies' ROE is necessary?

A. Data that I analyzed from 2010 through 2025 indicate that, net of earnings sharing, NYSEG and RG&E customers were burdened in two of the Companies' proceedings since 2009 (Cases 09-E-0715 et al. and 15-E-0283 et al.) by delivery rates that incorporated fixed authorized ROEs exceeding subsequently produced Staff's ROE Model ("SRM") costs of equity—burdens that were not materially offset by the two proceedings that followed (Cases 19-E-0378 et al. and 22-E-0317 et al.) The Staff ROE Model broadly resembles the model described in the Recommended Decision in Case 91-M-0509 [78],[79] and has become known colloquially as the "Generic Financing Methodology".[80] The SRM data I utilized came directly from the Department's testimony in subsequent rate cases, offering publicly available snapshots of changes in macroeconomic and investor expectations affecting the Companies' cost of capital over time. (Exhibit ___(WDY-03) at 2).

As a result, I estimate that NYSEG and RG&E customers incurred up to $128.2 million more for delivery service than what they would have been charged had these plans provided for a check on the unrealistic expectations for cost of equity embedded in the fixed ROEs authorized in these proceedings. (Chart 1, Exhibit __(WDY-03) at 22).

Q. Do you believe that continuing the practice of establishing a fixed ROE in any multi-year rate plan that may result from these proceedings is likely to be in the public interest?

A. No. I consider the primary flaw of this framework to be that it establishes fixed ROEs for entire rate terms without incorporating any "true-up" mechanism to account for changes in macroeconomic and investment expectations that impact the Companies' cost of equity as realized during the rate plan. In each case I analyzed from 2009 through 2022, a fixed ROE was authorized. (Exhibit ___(WDY-03) at 3 – 22).

Q. Why is this a problem?

A. Macroeconomic and utility sector investment considerations, as measured by expectations for gross domestic product, inflation, stock prices, dividends, interest rates, the possibility of recession, and other factors, changed significantly during the years encompassed by each of these rate plans. Reflecting these changes, Staff's ROE Model in rate cases from 2010

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[78] *See*, Case 23-G-0627, *Prepared Rebuttal Testimony of David P. Warnock*, at 4. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D0BB678E-0000-C457-BA0C-2FE6FCB12440}.

[79] *See*, Case 91-M-0509, *Proceeding on Motion of the Commission to Consider Financial Regulatory Policies for New York State Utilities*, *Recommended Decision*, 7/18/1994, at 96 - 97.

[80] *See*, for example: Cases 19-E-0065 et al., *Direct Testimony of Bente Villadsen,* at 10 (PDF 68). Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={180CD3E1-E6F2-4E6A-9D7A-4AB0D0CDF49B}; *see also*, Cases 19-E-0065 et al., *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan*, at 24. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={7B06921C-6160-4FFD-B10F-1C1D03F16AEE}.

through 2025 produced average costs of equity that were lower than authorized NYSEG and RG&E ROEs in twelve of fourteen electric and gas rate years. In four of these rate years, authorized ROEs were more than one percent (100 "basis points" or "bps") higher than the average SRM ROE output produced in subsequent rate cases; while in another four of these years, authorized ROE was more than 50 bps higher. (Exhibit ___(WDY-03 at 3 - 22).

Q. Has PULP been a signatory to any JPs in the settled cases of any utilities that included fixed authorized ROEs?

A. Yes. PULP was a signatory party to the 2017 and 2020 Central Hudson JPs. In each of these proceedings, PULP considered the totality of impacts on Central Hudson low-income customers of all JP terms and conditions in making its decisions to join as a signatory party. In particular, as discussed in its statements of support in Cases 17-E-0459 and 17-G-0460, PULP assessed that the significant reductions in residential monthly customer charges agreed by the parties (cumulatively, 18.75% for electric and 6.73% for gas), for which PULP had consistently advocated and which had been generally unprecedented up to that time, were compelling reasons to support the JP.[81] Monthly customer charge reductions, which were not achieved in any other rate case except in Orange and Rockland Cases 18-E-0067 and 18-G-0068[82], were then preserved by the JP signatory parties in Central Hudson Cases 20-E-0428 and 20-G-0429.[83] Moreover, in the 2020 cases, Central Hudson actually proposed in its direct testimony to hold these charges at the reduced levels agreed upon in the 2017 cases. Additionally, in 2020 the signatory parties accepted, with

[81] *See*, Cases 17-E-0459 et al., *Joint Proposal*, Appendix M Sheets 2 and 9. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={23A0D112-6570-491B-A7ED-BB1179EFA6D4}.

[82] PULP also supported the gas rate plan in Case 17-G-0068. *See*, Cases 17-E-0067 et al., *Joint Proposal*, Appendix 17, Schedule 5 at 1; Appendix 18, Schedule 5 at 1. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4B649DF6-BE74-43A5-AA10-46CE0578BF16}.

[83] *See*, Cases 20-E-0428 et al., *Joint Proposal*, Appendix M Sheets 2 and 9. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={39210039-F53D-4BBE-B83C-072CDB358F11}.

modifications, a direct testimony proposal by the Company[84,85] to eliminate declining block rates for gas – another policy objective for which PULP had long advocated. The achievement of these two policy objectives over the course of two rate cases, and the significant delivery bill savings they would obviously provide to low-to-moderate usage residential customers, were important considerations for PULP in deciding whether, on balance, the totality of the terms and conditions in these two JPs were in the public interest.

Q. Why didn't your analysis account for all of the authorized ROEs resulting from multi-year agreements that were higher than ROEs initially recommended by Staff?

A. My intent was to compare the Companies' authorized ROEs to the objective results of the Staff ROE Model; it was not to compare them to the authorized ROEs of other settled cases. Indeed, my analysis highlights the problem I find inherent in this setting of fixed authorized ROEs in multi-year settlements. Comparing authorized ROEs in multi-year settlements with each other would have served no purpose in this regard.

Q. Did you consider the effect of ESMs as mitigators of these excess delivery charges?

A. Yes. In accordance with Commission Orders, I considered the ESMs in all four rate proceedings which yielded $15.1 million in revenue requirement equivalent of excess earnings to be shared with customers. I then deducted that shared revenue to arrive at my conclusions. (Exhibit ___(WDY-03) at 3 - 10).

Q. Do you think $15.1 million of revenue requirement equivalent was sufficient compensation for NYSEG and RG&E customers paying in rates amounts that allowed the Company to realize actual ROEs in excess of its authorized ROEs?

A. No. The $15.1 million of revenue requirement equivalent shared with customers represented just 7% of a total of $205.9 million of revenue from 2010 to 2025 that I believe should have been subjected to equitable sharing between the Company and ratepayers

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[84] *See*, Cases 20-E-0428 et al., *Central Hudson Forecasting and Rates Panel Testimony*, at 53. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={78C6F4E6-3939-4997-9257-C3B701E8E261}.

[85] *See*, Cases 20-M-0428 et al., *Joint Proposal*, at 39. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={39210039-F53D-4BBE-B83C-072CDB358F11}.

(Exhibit ___(WDY-03) at 21). I do not consider this to be a justification for setting the Company rates based on fixed ROEs consistently in excess of SRM output.

Q. Please describe the "true-up and sharing mechanism" you recommend as an alternative to setting an authorized ROE that is fixed for the entirety of any multi-year rate plan in these proceedings.

A. I recommend that any multi-year settlement include an annual true-up of The Companies' authorized ROE to the Staff ROE Model for each year; a deferral of any revenues derived from authorized ROE in excess of or below true-up ROE; and an additional deferral of revenues subject to sharing with customers because they were derived from actual ROEs exceeding true-up ROE.

Q. What is the purpose of the sharing component of the true-up and sharing mechanism?

A. This component is designed to incentivize NYSEG and RG&E to find efficiencies, control costs, or otherwise seek improvements to its operations as its actual earnings approach or exceed its expected true-up ROE (though no adjustment mechanism would be employed in situations where actual ROE fell below true-up ROE). The disposition of such deferrals would be determined through the evidentiary process in the Companies' next rate case.

Q. Please describe the steps that would be necessary to adopt the true-up and sharing mechanism.

A. The steps that would be necessary to adopt this mechanism include:

- Shortly after the conclusion of each rate year in these proceedings, DPS would file an update of its direct testimony ROE Model on DMM reflecting the rate year realized monthly average cost of equity calculation. Staff would include in their update explanations for any necessary changes in inputs to the model, such as proxy group modifications in their update.
- The Companies would then calculate a true-up of their authorized ROE to the realized cost of equity produced by the Staff ROE Model, and recognize the consequent delivery revenue impacts arising from the true-up as regulatory deferrals: with credits recorded for rate years in which authorized ROE exceeded

true-up ROE (e.g. Exhibit ___(WDY-03) at 3, RYs 1 - 5); and debits recorded in years when true-up ROE exceeded authorized ROE (e.g. Exhibit ___(WDY-03) at 15, RYs 1 - 2).

- Additionally, for years in which actual ROEs exceed true-up ROEs, The Companies would calculate the consequent delivery revenue impact of this variance, and the portions of such revenues to be shared between the Companies and ratepayers, as follows:

  - Excess revenues derived from actual ROEs exceeding true-up ROEs up-to 147 basis points, representing the average range in the Companies' last three rate cases between its authorized ROE and the beginning of the 90% customer share ESM tier. (Exhibit ___(WDY-03) at 19):

    50% to ratepayers, 50% to the Companies ("equal shares").

  - Actual ROEs exceeding True-Up ROEs by more than 147 basis points:

    Equal shares for the portion of revenues derived from actual ROEs up-to 147 basis points, plus;

    90% to ratepayers for the portion of revenues derived from actual ROEs more than 147 basis points higher than true-up ROEs.

  Calculated ratepayer and Company shared amounts resulting from actual ROEs exceeding true-up ROEs would then also be recognized as deferrals, net of any true-up deferrals already recognized.

- No amounts resulting from actual ROEs falling short of true-up ROE would be recognized.

- The disposition of deferrals would be determined through the evidentiary process in the Companies' next major rate case.[86]

[86] For purposes of developing Exhibit ___(WDY-03), I assumed that no adjustments to deferral amounts, other than those included in Staff's direct testimony in each case, resulted from the evidentiary process determining the subsequent disposition of deferrals.

Q. Why did you set a threshold of 147 basis points over True-Up ROEs above which the customer share of excess revenues would be increased to 90%?

A. In the last three rounds of rate cases among the State's major electric and gas utilities (including The Companies), ESMs have generally included a 90% sharing tier beginning at 150 bps above authorized ROE. This has served to provide some degree of protection to ratepayers from paying for an excessive return. The 147 bps level I recommend in these proceedings closely approximate**s** the threshold in these other rate cases.

Q. Why didn't you include a provision for recovering from ratepayers in the event that the Company did not achieve its true-up ROE?

A. The authorized ROE is, as the Commission stated in the 2013 Con Edison case, designed to provide utilities with the opportunity to recover the cost of funds supplied to it by investors that is adequate, assuming efficient and economical management by the utility.[87] It is not intended to be a guarantee that such a return would be provided.

Q. Please describe the study you propose of impacts on cost of capital and upon incremental rate case resource needs had your true-up and sharing mechanism been adopted in NYSEG and RG&E rate cases since 2010.

A. I recommend that the signatory parties agree to undertake a study, the objective of which would be to estimate the potential range of impacts such a true-up and sharing mechanism would have had upon the Companies' cost of capital, and upon the incremental resources that would have been necessary for parties to participate in their rate cases. All parties in these proceedings, whether signatory or non-signatory, should be invited to participate in the study, the findings of which I propose to be submitted in a final report to the Commission prior to the filing of the Companies' next rate case. All parties should have the opportunity to submit comments on the final report.

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[87] *See*, Cases 13-E-0030 et al., *Order Approving Electric, Gas and Steam Rate Plans in Accord With Joint Proposal*, at 9. Available at: https://documents.dps.ny.gov/public/common/viewdoc.aspx?DocRefId={1714A09D-088F-4343-DF91-8DEA3685A614}.

Q. Why is a study necessary to analyze the potential impacts relating to certain aspects of cost of capital and rate case expenses that may have been incurred had your proposed true-up and sharing mechanism been in place from 2010 through 2025?

A. Such a study is necessary to assess the extent to which The Companies' cost of equity and/or debt, and the direct and indirect cost of conducting rate cases, could have been affected by the application of my proposed true-up and sharing mechanism. Incremental costs that may have had to be incurred should be considered in order to present a more complete picture of the potential savings that could have been achieved, and which are possible during any rate plan in these proceedings.

Q. Has an annual ROE true-up mechanism been proposed in the JPs of any past proceedings before the Public Service Commission?

A. Not to my knowledge; however, I note that the recommended decision ("RD") in Case 91-M-0509,[88] which continues to guide Commission policy pertaining to the setting of authorized utility return on equity in New York, included a recommendation that the Commission adopt an annual proceeding framework for determining ROE:

> In general, therefore, it is recommended that the Commission institute an annual rate of return proceeding for each industry group, at which time, using proxy group analysis and the specific methods discussed below, an annual return on equity will be determined for each.

Q. Do you think it is as likely that the use of an annual ROE true-up process would result in rate increases as it would in rate decreases?

A. That does not appear to be likely based on the historical data I analyzed from 2010 through 2025. While there was some upward variability in SRM ROE in those years, it was only in Rate Years 2 and 3 in the 2019 cases and Rate Years 1 and 2 in the 2022 cases that such increases would have more than offset the savings achieved by a true-up and sharing mechanism. (Exhibit ___(WDY-03) at 3 - 18).

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[88] See: Case 91-M-0509, *Proceeding on Motion of the Commission to Consider Financial Regulatory Policies for New York State Utilities*, *Recommended Decision*, 7/18/1994, at 31.

Q. Could an annual ROE true-up process have made it less likely that parties would have agreed to multi-year plans?

A. It's important to acknowledge that there are a multitude of terms and conditions inherent in comprehensive settlements in multi-year plans that parties, in general, consider when deciding whether to settle. However, when reviewing the low level of annual rate case allowances proposed by the Companies from 2026 through 2030 (about $5.2 million) in relation to the potential savings to ratepayers that could have been achieved by an annual ROE true-up process from 2010 through 2025 (up to $128.2 million, an annual average of up to $14.2 million), and subject to the findings of the study I have recommended of the 2009 through 2022 cases, I believe that the potential benefits to ratepayers would have outweighed the possible cost impacts of more frequent rate cases. (Exhibits ___(NYSEG Electric RRP-5) at 14; ___(RGE Electric RRP-5) at 20; ___(NYSEG Gas RRP-5) at 6; ___(RGE Gas RRP-5) at 6).

Q. How would such an annual ROE true-up process address the fact that utilities in New York, including the Companies, very often don't even earn their authorized ROE, and that truing up ROEs could further erode their operating performance?

A. Authorized ROE is only one of the factors contributing to operating performance. In my opinion, it should have little to do with the separate rate case process of setting allowances for recovery of operating costs. In this regard, I am informed by PULP's argument in Case 91-M-0509 that a more empirical approach to setting the return on equity helps avoid the consideration of non-cost-of-equity issues in setting the return on equity. At that time, PULP acknowledged that such considerations may be bona fide but argued that the place to recognize them is not in the cost of equity calculation. As an example, PULP cited a utility in financial distress. In PULP's view, cash flow relief would be preferable to an increased authorized return on equity; the former increases rates in the term, while the latter has longer term effects.[89]

[89] *See*, Case 91-M-0509, *Proceeding on Motion of the Commission to Consider Financial Regulatory Policies for New York State Utilities*, *Recommended Decision*, 7/18/1994, at 21 - 22.

Q. Does the Commission have tools to ensure that utilities do have the opportunity to earn their authorized ROEs when they are managed efficiently and economically but incur expenses that are beyond their ability to forecast or control?

A. Yes. As DPS Staff observed in the 2022 Con Edison rate case,[90] the Commission has tools at its disposal to mitigate the impact of business risks on utility earnings and cash flow:

> New York State regulation offers a myriad of benefits to the utilities it regulates. In addition to fully forecasted test years and the ability to earn their allowed return, New York regulation also allows for risk-reducing deferral and true-up mechanisms, a full pass through of commodity costs to ratepayers and an approach to setting ROEs that is very transparent and predictable. These attributes of New York State regulation reduce the risk borne by the owners of New York utility equity, thereby reducing the return required and the cost of equity. These risk-reducing regulatory mechanisms are not employed in all jurisdictions, and those jurisdictions that use them may not do so to the same extent as New York.

Q. Are there specific risk-reducing regulatory mechanisms that the Commission has historically provided The Companies to address the increased business risks associated with their multi-year rate plans?

A. Yes, the Company has historically been provided numerous risk mitigators in their rate plans. For example, the Commission's *Order Adopting Joint Proposal* in Cases 22-E-0317 et al. provided numerous reconciliation and deferral accounting mechanisms[91], including those for:

Labor;

Pensions / Other Post-Employment Benefits ("OPEBs");

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[90] *See*, Cases 22-E-0064 et al., *Staff Finance Panel Testimony*, at 135. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefID+{D445891E-73E9-489B-82E7-3D4974886BF3}. https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D445891E-73E9-489B-82E7-3D4974886BF3}.

[91] *See*, Cases 22-E-0317 et al., *Order Adopting Joint Proposal, Joint Proposal Attachment*, at 60 - 67 *(PDF Page 151)*. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={508D258B-0000-C11C-A3DC-C20B65EE38E7}.

Property Taxes;

Electric and Gas Vegetation Management;

Management, Operations and Staffing Audit Expenses;

Gas Research and Development (“R&D”);

Pipeline Integrity Costs;

Incremental Maintenance;

Gas Reconcilable Programs;

Covid-Related Uncollectible Expense;

Reserve Accounting Treatment for Environmental Remediation Costs;

Storm Reserve Accounting;

Legislative, Accounting, Regulatory, Tax and Related Actions;

Nuclear Electric Insurance Limited (“NEIL”) Credits;

Economic Development;

Energy Affordability Program;

Department of Energy Liability;

Debt Cost Reconciliation;

Energy Efficiency / Heat Pumps;

Electric Vehicles;

Additional Reconciliation / Deferral Provisions;

Interest on Deferred Items, and;

Post-Term Amortization.

Q. Does setting rates over a multi-year period involve increased financial risks that should be considered when setting authorized ROEs?

A. Yes, although as I have shown, the balance of these risks in the 2009 and 2015 cases was borne by ratepayers, and only slightly offset by the 2019 and 2022 cases. (That the Companies would have been entitled to small surcharges on customer bills during the latter two rate plans is indicative of the symmetrical responsiveness of the true-up and sharing mechanism to changes in macroeconomic and investment expectations affecting the cost of equity of NYSEG and RG&E.)

Earnings Sharing Mechanism ("ESM")

Q. Please describe your recommended earnings sharing mechanism ("ESM") in these proceedings, should your true-up and sharing mechanism not be adopted as part of a multi-year settlement in these proceedings.

A. I propose any adopted ESM have no "dead band" and provide for equal sharing between shareholders and ratepayers of any earnings derived from actual returns in excess of authorized ROE. I further propose that the test for earnings sharing be annual, as has been the practice since 2015.

Q. Why do you make this proposal?

A. ESMs since 2015 have not provided equitable sharing between shareholders and ratepayers, largely due to the inclusion of dead bands above authorized ROE before any sharing occurs. From 2009 through 2022, dead bands ranged from 0.2% (20 bps) to 0.75% (75 bps) above authorized ROE. (Exhibit ___(WDY-03) at 19) This observation alone is evidence that ESMs do nothing to address the fundamental flaw of settled rate plans, which is that authorized ROEs are established that are not subject to adjustment to account for changes in macroeconomic and investment expectations affecting utility cost of equity during the individual rate years of these plans.

Q. What was the breakdown of ESM sharing between ratepayers and shareholders in the last three rate cases?

A. Of a total of $41.3 million of revenue requirement equivalent in excess earnings in 2015, 2019 and, to date in the 2022 proceedings, $34.2 million (83%) was retained by the Company. This disparity, which significantly benefited shareholders, was largely caused by the inclusion of a dead band in the design of the ESM in each case. (Exhibit ___(WDY-03) at 20).

Q. Why did you exclude from your ESM analysis years in which the Company did not achieve their authorized ROEs?

A. My analysis focused on all situations in which there were earnings to share, with the intention of evaluating, on a comprehensive basis, how effective the ESMs in place from 2016 through 2025 were in providing equitable sharing of excess returns between shareholders and ratepayers in such situations in which they occurred. For this reason, it did not include situations in which the Company "underearned".

Q. Don't you think it would have been appropriate to include "underearning" years in your ESM analysis?

A. No. Each of the Companies' rate plans have specified that the final test for overearning is to be determined for individual rate years. If the Commission's intention was to require the sharing of earnings on a cumulative basis, I believe it would have directed that ESMs be designed to reflect such an intention. My ESM analysis captures all situations in which overearning occurred, in line with the appropriate type of test for overearning directed in each rate plan.

Q. What effect would your proposal to eliminate dead bands have had on the amount of excess earnings shared with customers in the past three proceedings?

A. After the incorporation of a 147-basis point limit for 50/50 sharing, over which the customer share of excess earnings would have increase to 90%, customers would have shared an additional $13.6 million in these proceedings. (Exhibit ___(WDY-03) at 20).

Q. Why did you set a threshold of 147 basis points over authorized ROE above which the share of excess earnings would be increased to 90%?

A. The 90% sharing tier has historically served to provide some degree of protection to ratepayers from paying for an excessive return. In the last three rate cases, the threshold start for this tier has averaged 147 basis points. I propose that such a tier be included under my ESM proposal and that it start at this average.

Customer Service

Q. What is the purpose of this part of your testimony?

A. The purpose of this part of my testimony is to provide evidence that NYSEG and RG&E have the opportunity to improve customer service in several areas, as evidenced by the:

- Continued high level of initial and escalated complaints reported by the DPS Office of Consumer Services ("OCS") through August 2025 in their monthly reports on consumer complaint activity[92];
- Ongoing DPS investigation into billing, customer service, and meter reading issues affecting customers;
- February 4, 2025 final report of NorthStar Consulting Group in regard to the deterioration of customer service performance mechanism metrics and other findings from 2018 through 2023, and;
- June 15, 2025, response of the DPS Records Access Officer to PULP's FOIL Request #1172-052825.

In the context of a multi-year settlement in these proceedings, my purpose is also to recommend ways that customer service could be improved for NYSEG and RG&E's residential customers.

Complaints

Q. Have customers of NYSEG and RG&E increased their filing of complaints against the Companies since the 2022 cases?

A. Yes. Since NYSEG and RG&E resumed collections activity in 2022, residential customer complaints filed with the DPS Office of Consumer Services ("OCS") against the Companies have been elevated. On a calendar year basis, complaints peaked in 2023, with a combined total of 6,212 complaints filed (4,084 against NYSEG; 2,128 against RG&E). (Exhibit ___(WDY-10) at 3 – 5) Moreover, as of August 2025, since February the

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[92] See: *In the Matter of Consumer Complaint Statistics - Office of Consumer Services*, Matter 19-00950. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=19-00950.

Companies have had the highest monthly initial complaint rates of the State's major electric and gas utilities. In August 2025 alone, the rate per 100,000 customers was 31.20 for NYSEG; while the rate at RG&E was 51.15—more than twice the rate generated by any other major utility in New York (aside from NYSEG's).[93]

Q. Have you been able to determine why residential customers of NYSEG and RG&E have been filing so many initial complaints with OCS?

A. Yes. I was able to gain some understanding of the timing, nature and extent of residential complaints against the Companies since the beginning of 2022 from at least three sources: DPS Staff's 2023 investigation into billing, customer service, and meter reading issues affecting NYSEG and RG&E customers (Matter #23-00068, the "Billing Investigation")[94]; the management and operations audit of the Companies conducted by NorthStar Consulting covering the calendar years 2018 through 2023 (Case 23-M-0103, the "NorthStar Audit")[95]; and the June 15 2025 response of the DPS Records Access Officer to PULP's FOIL Request #1172-052825. (Exhibit ___(WDY-14) at 20 – 189, the "Complaint FOIL")

Q. Please describe the Staff Investigation into billing, customer service and meter reading issues.

A. On December 28, 2022 the Commission announced that DPS Staff was expanding its investigation of NYSEG and RG&E for billing errors, citing potential mismanagement of their utilities' billing systems and protocols. The Commission stated that, in response to a significant spike in the number of complaints from customers, Staff had commenced a review and an investigation related to a September 2022 change to the Companies' customer information and billing system. According to the Commission, there were over

[93] See: *DPS Office of Consumer Services Monthly Report on Consumer Complaint Activity, August 2025*, at PDF 7. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B0B38699-0000-CF41-A7FC-5E433E18791B}.

[94] See: *In the Matter of Staff's Investigation into Billing, Customer Service, and Meter Reading Issues Affecting Customers of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation*, Matter #23-00068. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=23-00068.

[95] See: *Proceeding on Motion of the Commission to Conduct a Comprehensive Management and Operations Audit of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation*, Case 23-M-0103. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=23-M-0103.

4,700 complaints in 2022, ranging from incorrect bills being sent to consumers or very late bills being sent.[96]

Q. Were any concerns about these issues expressed by elected officials on behalf of their constituents?

A. Yes. For example, in an April 17 2023 letter to PSC Chair Christian filed in Matter 23-0068, Member of Assembly Matt Slater and Member of Assembly Anil Beephan detailed how their offices "continue to receive many reports of billing errors from NYSEG customers throughout the Hudson Valley" causing "mass confusion and anxiety for families, seniors and businesses".[97]

In another public filing in the Matter, the Tompkins County Legislature submitted a resolution it adopted on April 1 2025 citing numerous complaints raised by county residents and businesses regarding inaccurate billing, sudden rate spikes, delayed or estimated meter readings, and lack of transparency in NYSEG's billing practices that had caused financial hardship for its customers (including the County itself). The resolution goes on to request that the Commission and the State Attorney General's Office conduct an independent audit of NYSEG's billing practices to determine the extent of errors, inconsistencies, and potential overcharges; calling for an examination of meter reading accuracy, estimated billing practices, customer service response times, and adherence to state-mandated billing regulations. Finally, the resolution requests that the findings of such an audit be made publicly available to ensure transparency and accountability.[98]

Q. Since the Billing Investigation was expanded, has the Commission filed any status updates in DMM Matter 23-00068, apart from the transcripts of public statement hearings held in early 2023?

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[96] See: *DPS Expands Investigation of NYSEG and RG&E for Billing Errors*, December 28 2022, Matter 23-00068. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={041282B9-9525-4C38-A451-E54E3B5E4348}.

[97] See: *Letter from MOAs Matt Slater and Anil Beephan to PSC Chair Christian*, April 17 2023, Matter 23-0008. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40172588-0000-CB14-B87E-12D5A114DFC9}.

[98] See: *Resolution No. 2025-80 Demanding an Independent Audit of New York State Electric & Gas (NYSEG) Billing Practices*, Tompkins County Legislature, Adopted April 1 2025. Matter 23-0008. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={90053A96-0000-C885-A0BB-9BA03D35DB6F}.

A. As of October 27, 2025, none.

Q. What is your recommendation, in light of the apparent lack of disclosure of any actions that Commission may be undertaking to responsibly complete the Billing Investigation?

A. Given that it will have been *almost three years* as of the date of my testimony in these proceedings since the Commission initiated the NYSEG and RG&E Billing Investigation, I call upon the Commission to disclose the present status of the investigation without delay. I note that it took just fifteen months from the date of Central Hudson's new billing system launch in September, 2021 to achieve the release of the December, 2022 *New York State Department of Public Service Investigation Report* in Case 22-M-0645, which detailed extensively what went wrong with that implementation.[99] If such a time table had been achieved in the NYSEG and RG&E Billing Investigation, an equivalent report would have been issued in December, 2023 (almost two years ago). Even allowing for the possibility that there is a reasonable explanation for the apparent lack of completion of the NYSEG and RG&E investigation, the responsible thing to have done by now would have been to "fill the void" with an interim report as to the investigation's status.

Q. What is your recommendation should the Commission find that NYSEG and RGE mismanaged their billing systems and protocols?

A. In such a situation, I recommend that the Commission do just what Chair Christian said the Commission would do, per the December 22, 2022 DPS press release:

> "Our bottom line is simple: we hold utilities accountable for any billing errors and we will require the companies to hold customers harmless."[100]

Furthermore, should the Commission also decide to impose penalties, or negative revenue adjustments (NRAs), of any kind related to this matter, or come to any settlement with the

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[99] See: *New York State Department of Public Service Investigation Report*, Case 22-M-0645. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={7410F817-B458-4232-9522-BF3FB9BAB451}.

[100] See: *DPS Expands Investigation of NYSEG and RG&E for Billing Errors*, December 28 2022, Matter 23-00068. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={041282B9-9525-4C38-A451-E54E3B5E4348}.

Companies that includes an agreement by NYSEG and RG&E shareholders to bear the cost of customer benefit fund, such as the $4 million fund established in settlement of the Central Hudson billing investigation, such penalties, NRAs, or benefits should be applied directly as credits to customer bills, instead of having them recorded as deferrals, which would leave them available to be applied at the discretion of the Commission, as was the case in the Central Hudson settlement.[101]

Q. Please describe the NorthStar Audit, as it pertained to complaints by residential customers of NYSEG and RG&E.

A. The final report in the NorthStar Audit (the "NorthStar Report") included a discussion of NYSEG and RG&E customer complaints to the DPS Office of Consumer Services (OCS), with a finding that NYSEG initial ("Quick Resolution System" or "QRS") complaints increased approximately four times and RG&E's increased approximately three times between 2018 and 2023. During the same period the NorthStar Report found that NYSEG and RG&E escalated ("Standard Resolution System" or "SRS") complaints rose approximately five times and six times, respectively.[102]

Q. What were the detailed findings regarding escalated customer complaints in the NorthStar Report?

A. NorthStar reviewed all NYSEG and RG&E escalated complaints in 2023 and found that:

- Approximately 75% were associated with billing issues (high bill, bill delay, inaccurate bill, estimated bill, back-billing and refund requests for overpayments) for each utility;

[101] See: *Order Adopting Terms of Settlement Agreement*, Case 22-M-0645, at 8. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={60F53690-0000-C71C-AC47-58CE32EF098C}.

[102] See: *A Comprehensive Management and Operations Audit of New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation*, February 5 2025, Case 23-M-0103, NorthStar Consulting Group, at IX-25. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={3097E996-0000-C45D-8AB2-101DC6B879E5}.

- Remaining top issues encompass service suspension/term/block threat, delayed new service, net metering, service class, intermittent out of service, budget, and tree trimming;
- Challenges were faced by representatives in achieving first call resolution, effectively resolving customer issues, and the absence of feedback mechanisms to improve operations, including the fact that:
  - None of the case files selected for review contained customer complaint closeout letters or garnered root causes of customer issues that would allow for trending or feedback to responsible area for continuous improvement;
  - Files do not include information such as usage and billing history or the communication log between customer and Avangrid representative;
  - No internal follow-up is noted to fix root causes of issues such as determining why a customer was double-billed for service or why a safety-inspection record was missing from the system, and;
  - Opportunities to solve customer issues were not taken, such as asking the customer to take a picture of their meter to determine if usage was reasonable or if meter was not misread.
- For most of the audit period, the complaint tracking process was completed manually through data entry in spreadsheets, and;
- Weekly meetings held to review overall incoming complaint volume, review expectations and discuss select cases focus on what customer representatives could have done differently to prevent complaint escalation, but do not indicate what further actions are taken to resolve the root-cause(s) of issues raised in complaints.

Q. Please describe the PULP Complaint FOIL.

A. On May 28, 2025, PULP submitted a Freedom of Information Law ("FOIL") request to DPS seeking a summary report of residential customer complaints brought against NYSEG and RGE, as maintained by DPS for the period January 1, 2022 through April 30, 2025.

The summary report provided by DPS in response to PULP's request contained descriptive complaint categories, such as those cited by NorthStar in its report; as well as amongst other "meta-data" such as case number, opening and closing dates, complaint level, and customer city and zip code. The DPS response to the Complaint FOIL can be found in Exhibit ___(WDY-14) at 20 – 189 and my analysis of the Department's response can be found in Exhibit ___(WDY-10).

Q. What were the main findings of your analysis of the Complaint FOIL?

A. One of my main conclusions was that, as noted previously, overall complaints remained very high, especially as measured per 100,000 customers (now the highest of the major electric and gas utilities in New York State). High bills continue to be the most common complaint by residential customers against NYSEG and RG&E. However, another conclusion—one of extreme significance to the work done by PULP—was that descriptive complaint category instances pertaining to direct services provided by our organization to NYSEG and RG&E residential customers having continuity of service problems were much higher during the twelve months ended April 2025 than they for the same period ended April 2023, and comprised a share of total complaints many times greater in 2025 than in 2023. For example, I observed that for the combined companies, issues involving deferred payment agreements ("DPAs") were included in 997 complaints in 2025, up from 368 instances in 2023. DPAs were an issue in 19.4% of residential complaints among the combined companies in 2025, over three times the 5.5% share of complaints in which they were an issue in 2023. I found a similar pattern in categories including:

- Extensions for Payment;
- Financial Statement Forms;
- Medical Emergencies;
- Threat of Service Termination;
- Service Termination;
- Special Protection Programs, and;

- Wanting Breakdown of Bills.

These findings were also applicable to the individual companies. (Exhibit ___(WDY-10) at 2).

Deferred Payment Agreements ("DPAs")

Q. What is the purpose of this part of your testimony?

A. The purpose of this part of my testimony is to identify challenges encountered by residential customers attempting to negotiate equitable deferred payment agreements, as required by regulations implementing the New York State Home Energy Fair Practices Act, or "HEFPA"[103]; and to make recommendations that would reduce compliance or process deficiencies associated with the Companies' practices related to these agreements.

Q. Why is this important?

A. HEFPA deferred payment regulations include important consumer protections that obligate electric and gas utilities in New York State to "make reasonable efforts to contact eligible customers or applicants by phone, mail or in person for the purpose of offering a deferred payment agreement and negotiating terms tailored to the customer's financial circumstances, prior to making the written offer of a deferred payment agreement".[104]

Q. Have NYSEG and RG&E been found to be in compliance with these regulations?

A. Based on the findings of the most recent NYSEG and RG&E Management and Operations Audit by NorthStar Consulting ("NorthStar Report") [105] covering the calendar years 2018 through 2023, the Companies' collections practices "show customers in arrears are typically offered two choices: the standard agreement or may qualify for the $10 DPA".[106] The NorthStar Report found these practices deficient in that they fail to make customers aware that customization of DPAs is an option.[107] To remedy this deficiency, NorthStar

[103] NYCRR Part 11 and 13.
[104] 16 NYCRR § 11.l0(a)(1).
[105] See: *A Comprehensive Management and Operations Audit of New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation*, Case 23-M-0103, NorthStar Consulting Group. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={3097E996-0000-C45D-8AB2-101DC6B879E5}.
[106] *NorthStar Report*, at IX-16.
[107] *NorthStar Report*, at Appendix-42.

recommends that the Companies adopt practices that "allow for negotiation of Deferred Payment Agreements (DPAs) to ensure fair and equitable consideration of the customer's financial circumstances".[108]

Q. Is this finding different than the findings regarding DPAs in the 2018 management and operations audit?

A. Yes. In its 2018 *Comprehensive Management and Operations Audit Of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation* in Case 16-M-0610[109] (the "Overland Report"), Overland Consulting found that the Companies:

- Automatically mail installment plan offers to residential customers;
- Have written procedures for determining customer eligibility for "minimum" installment plans that are consistent with HEFPA;
- Had detailed written procedures for negotiating residential installment plan down payments and installment amounts that were consistent with HEFPA;
- Had stated maximum down payments and monthly installments were consistent with HEFPA, and;
- Had agreements that contained required down payments and installments.

Q. Were you able to determine whether the Companies issued any negotiated (non-standard) DPAs since resuming collections in 2022?

A. No. The Companies response to I/R PULP-33 (Exhibit ___(WDY-15) at 70) did not include the column requested for negotiated DPAs. Instead, the Companies indicated in their response that Attachment 1 (Exhibit ___(WDY-15) at 73 - 75) details the monthly total number of standard and minimum DPAs established from January 2022 through

[108] *NorthStar Report, a*t IX-45.
[109] See: Comprehensive Management and Operations Audit Of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, Case 16-M-0610, Overland Consulting Group, at 33-4. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={694133F8-4316-4C8E-BB0B-7625706BB502}.

August 2025, with data applicable to negotiated DPAs categorized under either standard or minimum, based on the applicable criteria.

Q. Since the resumption of residential collections practices by NYSEG and RG&E, have customers filed complaints with the Commission that involve DPAs?

A. Yes. Beginning in 2022, an increasing percentage of complaints filed by the Companies' residential customers have involved DPAs, more than tripling from 5.5% during the twelve months ended April 2023 to 19.4% in the same period ended April 2025—with NYSEG complaints involving DPAs rising from 5.7% to 17.9% and RG&E complaints involving DPAs increasing from 5.4% to 23.2%. Relatedly, complaints involving financial statement forms jumped from 1.3%, 1.4% and 1.0% of total combined companies, NYSEG, and RG&E complaints, respectively, during the twelve months ended April 2023; to 6.6%, 6.0% and 8.2% in 2025. (Exhibit ___(WDY-10) at 2)

Q. What priority level did NorthStar assign to its recommendation that the Companies adopt practices that allow for negotiation of DPAs to ensure fair and equitable consideration of the customer's financial circumstances?

A. High.

Q. Have NYSEG and RG&E agreed to remedy the deficiencies related to DPAs reflected in the NorthStar Report?

A. In their 2023 Management Audit Project Implementation Plan (the "Audit Implementation Plan"), the Companies adopted the NorthStar recommendation to allow for the negotiation of DPAs ensuring fair and equitable consideration of customers' financial circumstances.[110] However, their proposed implementation entails only the review of "available negotiated installment plan options with Customer Service Representatives" and creating a "job aid" for negotiating payment agreements.

[110] See: *2023 Management Audit Project Implementation Plan*, NYSEG and RG&E, at PDF 294 - 296. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={40F38397-0000-C120-9A8C-C2B1D73E3053}.

Q. Were you able to obtain more updated training materials related to the administration of residential DPAs at NYSEG and RG&E?

A. Yes, the Companies' response to I/R DPS-314 included an attachment of DPA training materials that went into effect in April 2025 (Exhibit ___(WDY-11) at 157 - 279)

Q. Do NYSEG and RG&E customer service representatives ("CSRs") explicitly inform customers that DPA amounts are in addition to their monthly bills?

A. The Companies' response to I/R PULP-34 (Exhibit ___(WDY-15) at 70) states that, during training, CSRs are instructed to clearly inform customers that when entering into a DPA, the agreed-upon DPA installment is in addition to their regular monthly bill, which the Companies' updated DPA training materials reflect, at Exhibit ___(WDY-11), 163)

Q. What are the different ways NYSEG and RG&E CSRs can negotiate DPAs with residential customers (e.g., over the phone, in writing, and/or in person)?

A. The Companies' response to I/R PULP-37 (Exhibit ___(WDY-15) at 70) states that CSRs may negotiate DPAs with residential customers through multiple channels, including phone, email or in-person visits at walk-in office locations.

Q. Which types of DPAs (Standard, Negotiated, Minimum) are NYSEG and RG&E residential customers able to request and enter into through their account portals, web browsers, or mobile applications?

A. The Companies' response to I/R PULP-38 (Exhibit ___(WDY-15) at 70) states that residential customers have the ability to enter into Standard DPAs directly through their account portals, web browsers or mobile applications.

Q. For the years 2023 and 2024, and January through July of 2025, were you able to determine the percentage of NYSEG and RG&E customers who entered into DPAs for the first time, renegotiated DPAs and defaulted on DPAs?

A. No. As with their response to I/R PULP-33, the Companies did not include the column requested for this information on Attachment 1, which only details the monthly total number of standard and minimum DPAs established from January 2022 through August

2025, with data applicable to negotiated DPAs categorized under either standard or minimum.

Q. How do NYSEG and RG&E determine that a "default" on a DPA has occurred, and what are the customer outreach and collections processes that occur in these circumstances?

A. The Companies' response to I/R PULP-42 (Exhibit ___(WDY-15) at 71) states that they consider DPAs to be in default when they become more than six (6) days past due and the past due amount is at least seventy-five dollars ($75.00). They indicate that, upon reaching this threshold, customers receive reminder notices granting an additional eight (8) days to make payment. They further note that, during this period, outbound calls will be made to such customers. Finally, they conclude by stating that if payment is not received within the extended timeframe, final termination notices ("FTNs") are issued.

Q. Were NYSEG and RG&E able to provide examples of notices sent to customers when they default on DPAs?

A. The Companies' response to I/R PULP-43 (Exhibit ___(WDY-15) at 71) states that all residential accounts with that include a DPA are subject to a structured notification process prior to termination. The response indicates that when DPAs becomes more than six (6) days past due and the defaulted amount is at least seventy-five dollars ($75.00), reminder notices are sent to the customer, allowing eight (8) days to make payment. It goes on to say that FTNs are issued to customers not making payment within the eight-day period. The Companies indicate that DPAs are considered in default and subject to "dunning deactivation" after either:

- Two (2) consecutive defaults wherein the first FTN constitutes the first default, and the subsequent unpaid reminder notice constitutes the second default (triggering a second FTN with the full past due amount, including the deactivated DPA balance), or;
- Four (4) defaults within a rolling twelve (12) month period.

The response concludes by stating that in instances where a DPA is deactivated due to default, the customer is required to either bring the existing installment plan current or complete a financial statement to document a change in financial circumstances, and by providing references to examples of the applicable reminder letters and FTNs, which can be found at Exhibit ___(WDY-15), 76 - 85.

Q. What is the NYSEG and RG&E procedure for handling customers who contact the Companies to renegotiate prior DPAs or get into new ones after default?

A. The Companies' response to I/R PULP-44 (Exhibit ___(WDY-15) at 71) states that when customers contact the Companies to renegotiate previously established DPAs or to request new ones following a default, CSRs will first review their accounts to understand the type of DPA defaulted. Representatives then explain the outstanding balance associated with defaulted DPAs and ask customers what they can pay. For those customers indicating they are unable to bring their defaulted DPAs current, CSRs evaluate to determine whether they qualify for new DPAs with revised terms based on their current financial circumstances. The response concludes by stating that customers who have not experienced a change in financial circumstances and have exhausted all eligible payment options will not be eligible for new DPAs.

Q. Are NYSEG and RG&E customers able to negotiate or renegotiate DPAs in-person with field representatives?

A. The Companies' response to I/R PULP-45 (Exhibit ___(WDY-15) at 72) states that customers are not able to negotiate or renegotiate Deferred Payment Agreements (DPAs) in person with field representatives. Field representatives are neither trained nor equipped with the necessary system access to complete DPA transactions in the field. In such situations, concludes the response, customers should contact CSRs to discuss or establish DPAs.

Q. Are NYSEG and RG&E customers required to sign (either with ink or virtually) DPAs to be applied to their accounts?

A. The Companies' response to I/R PULP-46 (Exhibit ___(WDY-15) at 72) states that customers may verbally commit to DPAs, which will be activated on their accounts, however, CSRs are trained to inform customers that signed agreements are still required.

Q. Are NYSEG and RG&E customers who are put into DPAs automatically enrolled into budget billing? If so, are they educated on budget billing, including instructions indicating how to opt out?

A. The Companies' response to I/R PULP-49 (Exhibit ___(WDY-15) at 87) states that such customers are not automatically enrolled in budget billing, but that CSRs are trained to inform them about the budget billing option, which is designed to assist with managing and budgeting monthly payments more effectively.

Q. Are NYSEG and RG&E customers allowed to modify their DPAs, irrespective of a default, due to a change in financial circumstances?

A. The Companies' response to I/R PULP-50 (Exhibit ___(WDY-15) at 88) states that there may be circumstances in which customers request to modify their existing DPAs. Such requests are reviewed on a case-by-case basis to determine the most appropriate solution that will best support the customer's financial situation and ensure continued service.

Q. In what instances are NYSEG and RG&E customers required to complete financial statements in order to enter into a new DPA or renegotiated DPA?

A. The Companies' response to I/R PULP-51 (Exhibit ___(WDY-15) at 88) states that customers who have defaulted on standard agreements, are unable to afford standard agreements, have defaulted and cannot bring their agreements current, or indicate changes in financial circumstances are required to complete financial statements. The response indicates that such statements are used to assess customer eligibility for new DPAs based on their current financial circumstances.

Q. What income and expense criteria are included in financial statements worksheets?

A. The Companies' response to I/R PULP-52 (Exhibit ___(WDY-15) at 88) states that financial statement worksheets are comprised of three sections:

- Resources: includes basic customer information, composition of household and resources (money) available to make a down payment toward a minimum installment plan;
- Income: documents all of the income in the household including public assistance/DSS assistance, and;
- Expenses: documents all of the necessity expenses in the household.

Q. What documents must NYSEG and RG&E customers provide in order to complete financial statements, and are they able to provide alternative documentation if any required documents are unavailable?

A. The Companies' response to I/R PULP-53 (Exhibit ___(WDY-15) at 88) states that customers may be required to provide the following documentation when completing financial statements:

- Income: Customers must provide hard copy documentation of any income within the last 4 weeks (30 days) claimed in financial statements. This includes any income for roommates, children's benefits, and DSS/agency assistance;
- Expenses: Customers must provide hard copy documentation of any expenses PAID within the last 4 weeks (30 days) claimed in financial statements. It indicates that expenses can be proven with:
    - Cancelled checks – front & back;
    - Money Order Receipts;
    - Proof of deduction from bank accounts.

The response adds that there are instances where customers may provide notarized statements in lieu of documentation.

Q. Do any documents required for financial statements require notarization?

A. The Companies' response to I/R PULP-54 (Exhibit ___(WDY-15) at 88 - 89) states that the following documents may require accompanying statements to be notarized:

- Handwritten receipts from landlord;
- Customers claiming no income but expenses had been paid due to loan from friend/family members;
- Child Support - Notarized statements from persons receiving support acceptable, and;
- Anything handwritten must be notarized.

Q. Are NYSEG and RG&E customers who negotiate DPAs with the assistance of advocacy organizations, government officials, or government agencies; and then default on their agreements, able to renegotiate a new DPA without the assistance of the agency(ies) who assisted with the original DPAs?

A. The Companies' response to I/R PULP-55 (Exhibit ___(WDY-15) at 89) states that customers who default on their DPAs may renegotiate new DPAs without the involvement of the agency(ies) assisting them with original agreements. The response indicates that the Companies allow customers to initiate and manage new arrangements independently, provided they meet eligibility requirements.

Q. Are there limits as to how many times NYSEG and RG&E customers can be offered DPAs after subsequent default(s)?

A. The Companies' response to I/R PULP-56 (Exhibit ___(WDY-15) at 89) states that there are no limits to the number of times customers may be offered DPAs following default, provided they bring their agreements current after each default.

Q. Are NYSEG and RG&E CSRs trained to ask customers why they defaulted on their DPAs? If yes, are changes in financial circumstances taken into consideration in whether a DPA is renewed?

A. The Companies' response to I/R PULP-57 (Exhibit ___(WDY-15) at 89) states that their CSRs are trained to inquire whether customers have experienced changes in their financial circumstances when discussing DPAs. The response indicates that if changes are identified, CSRs ask customers to complete financial statement forms, which are used to assess eligibility for new DPAs based on the updated financial information.

Q. Do NYSEG and RG&E categorize or classify defaults on DPAs in any way, based on the reason(s) for default provided by customers?

A. The Companies' response to I/R PULP-58 (Exhibit ___(WDY-15) at 89) states that they do not categorize or classify defaults on DPAs based on the reason(s) for default provided by customers. The response indicates that, instead, the Companies' default tracking process is standardized and does not differentiate defaults by customer explanation or circumstance.

Q. Do NYSEG and RG&E ever provide informal DPAs for specific circumstances?

A. The Companies' response to I/R PULP-59 (Exhibit ___(WDY-15) at 89) states that, in certain cases, involving extenuating circumstances, they may offer informal DPAs to assist customers. The response explains that such arrangements are made outside of the standardized DPA process and are intended to provide temporary relief based on the specific situation of customers, on a case-by-case basis.

Q. How are late fees assessed for NYSEG and RG&E customers in DPAs?

A. The Companies' response to I/R PULP-60 (Exhibit ___(WDY-15) at 89) states that customers on active DPAs are not assessed late fees.

Q. Do any NYSEG and RG&E upgrades to call centers, billing systems, online portals, or the advanced virtual assistant chatbot include improvements related to customer experience as regards DPAs?

A. The Companies' response to I/R PULP-61 (Exhibit ___(WDY-15) at 98) cites the following ways that customer experience involving DPAs through these channels have been addressed:

- Online Portal: The online portal allows customers to enroll in new DPAs and check the status of existing DPAs through customer account login. Enrollment in new DPAs can be accomplished through a guided process. Once enrolled, customers can review their DPA status at any time, including their DPA balances, installment amounts, remaining installments and upcoming due dates.

- Virtual Assistant Chatbot: The chatbot provides quick access to DPA enrollment and review of the status of existing DPAs, and redirects customers to the self-serve capabilities of the Online Portal.
- Customer Relationship Management & Billing Cost (CRMB) System: The CRMB System has been enhanced to allow CSRs to easily identify the DPA type. New features also include automatically calculating missed payment amounts required to bring agreements current; and a tool under development designed to support the automatic calculation of negotiated DPAs, an enhancement the Companies indicate is part of ongoing system improvements aimed at streamlining processes and providing more accurate information to both customers and CSRs.

Q. Have NYSEG and RG&E proposed any investments in staff, systems, and technology intended to make it easier for customers to access their bills and account statements in order to adequately access their arrears and request appropriate DPAs?

A. The Companies' response to I/R PULP-62 (Exhibit ___(WDY-15) at 98 - 99) states that they are currently reviewing and documenting a process that would enable customers to complete financial statements online through a self-service portal, and that this would help determine eligibility for agreements beyond the standard offering. The response goes on to say that this initiative is in its early stages, with an implementation date not yet established.

Q. Were you able to determine the breakdown of the 132,000 AVA virtual assistant inquiries noted in the Companies' Filing Letter that pertained to new DPAs requested for the first time, renegotiated DPAs requested, and general inquiries about existing DPAs or the DPA process?

A. The Companies' response to I/R PULP-63 (Exhibit ___(WDY-15) at 99) states that 8.04% of those AVA virtual assistant inquiries were related to the DPAs, including 4.8% requesting new DPAs for the first time, and 3.24% that were general inquiries about existing DPAs. The response indicates that, presently, renegotiations are not available via the AVA virtual assistant.

Q. Were you able to determine how many NYSEG and RG&E customers who entered into DPAs from 2020-2022 are still in their DPAs?

A. The Companies' response to I/R PULP-64 (Exhibit ___(WDY-15) at 99) states that 17,303 NYSEG customers and 9,505 RG&E customers entering into DPAs from 2020 through 2022 are currently active in their DPAs, clarifying that these data do not distinguish whether customers remain on their original DPAs or have entered into new ones. The response goes on to say that all customers currently enrolled in DPAs receive proactive reminder notices and outbound calls as part of outreach efforts. These communications are intended to assist customers in resolving their past-due balances.

Q. How does the NYSEG and RG&E process of actively monitoring customer payment history and using customer payment behaviors determine the Companies' collections actions?

A. The Companies' response to I/R PULP-65 (Exhibit ___(WDY-15) at 99) states that account management plays a key role in determining appropriate outreach strategies and actions regarding customer accounts. The response indicates that the Companies identify past-due accounts, whether or not DPAs are in place. For accounts without active DPAs, new agreements may be sent to customers. It goes on to say that additional outreach may include email notifications informing customers of their eligibility, as well as outbound calls during which DPAs and customer financial circumstances may be discussed.

Q. What factors and/or calculations do NYSEG and RG&E consider in the context of negotiating DPAs tailored to customers' specific financial circumstances?

A. The Companies' response to I/R PULP-66 (Exhibit ___(WDY-15) at 99) states that CSRs review current account status, including any active or defaulted DPAs, when negotiating DPAs with customers. It then indicates that financial statements may be completed to assess eligibility for new DPAs. It further states that CSRs are trained to "STOP, LOOK and LISTEN" – which the Companies describe as a practice encouraging thoughtful engagement to understand each customer's unique situation and determine the most appropriate way to assist them.

Q. Were you able to identify the ways NYSEG and RG&E customers can complete financial statements (e.g., phone, mail, online, etc.) and the Company's process for reviewing and processing customer submitted financial statements?

A. The Companies' response to I/R PULP-103 (Exhibit ___(WDY-15) at 143) states that Currently, customers may complete financial statements either by phone or in person at one of their walk-in offices. It indicates that the Companies are in the early stages of gathering business requirements to support the future implementation of an online financial statement submission option.

The response goes on to say that while documentation may be requested to support financial statements, at this time, such documentation is only required for accounts that have already been disconnected. It concludes by stating that submitted documents are reviewed in the order they are received, except for customers who have been disconnected and have contacted the Company to request escalations.

Q. Were NYSEG and RG&E able to provide the average processing time for financial statements, whether processing times vary among each method of completing financial statements, and whether there is a difference in processing time between customers who have service and those who have had service disconnected?

A. The Companies' response to I/R PULP-104 (Exhibit ___(WDY-15) at 143 - 144) states that since the Companies currently do not require documentation for financial statements prior to a disconnection, the processing time is limited to the duration of phone calls or in-person interactions. It indicates that during this time, the representatives gather information on household composition, income, and expenses; and that, for qualifying customers, representatives can immediately activate minimum payment agreements.

The response goes on to say, however, that customers who have already been disconnected must complete financial statements with supporting documentation, indicating further that the processing timeline in these situations depends on how quickly necessary documents are submitted. The response concludes by stating that financial statements, once received, are reviewed on a first-come, first-served basis, except for cases in which customers are disconnected and have contacted the Company to request escalation.

Q. Do NYSEG and RG&E have any expedited process for reviewing financial statements for customers whose service has been disconnected?

A. The Companies' response to I/R PULP-105 (Exhibit ___(WDY-15) at 144) states that customers who have had their service disconnected may contact the Company to request expedited review of their financial statements.

Q. Do NYSEG and RG&E have procedures for notifying customers who need to furnish further information, clarification, or documentation so that their financial statements can be processed?

A. The Companies' response to I/R PULP-106 (Exhibit ___(WDY-15) at 144) states that in situations requiring further clarification, documentation, or information to process financial statements, CSRs first attempt to reach customers via telephone. It indicates that when phone contact is unsuccessful, the Companies send follow-up emails, which outline:

- Which documents have been accepted,
- Which are missing, and
- Which are invalid.

The response goes on to say that this process ensures customers are clearly informed of what is needed to move forward with their financial statement submissions. It also refers to Attachment 1 (Exhibit ___(WDY-15) at 145), which it states the Companies use to contact customers in situations requiring additional information.

Q. Is any part of the review process for financial statements automatic or is all processing done manually?

A. The Companies' response to I/R PULP-107 (Exhibit ___(WDY-15) at 144) states that currently, all financial statement reviews are conducted manually by Customer Service Representatives.

Q. What are NYSEG and RG&E's criteria, including income and expense thresholds, for offering minimum payment agreements to customers submitting financial statements?

A. The Companies' response to I/R PULP-108 (Exhibit ___(WDY-15) at 144) states that CSRs will offer minimum payment agreements to customers in cases where their household expenses exceed their income, or when their excess income is less than the standard agreement amount. The response also indicates that there may be individual exceptions to this process in which minimum agreements are offered even for customers who do not meet either of these financial thresholds, based on specific circumstances or additional considerations.

Q. Were you able to determine whether NYSEG and RG&E retain financial statements submitted by customers whose accounts were shut off for nonpayment or the financial statements submitted by customers that resulted in reconnection?

A. The Companies' response to I/R PULP-130 (Exhibit ___(WDY-17) at 3) states that NYSEG and RG&E retain financial statements submitted by customers who were disconnected due to nonpayment, and that they also preserve that documentation in cases where financial statements are completed leading to reconnection.

Q. Historically, how many financial statements completed by NYSEG and RG&E customers reflect negative cash flow versus positive cash flow of $100 or less?

A. The Companies' response to I/R PULP-131 (Exhibit ___(WDY-17) at 3) states that since 2020, there were 51,463 financial statements submitted with negative cash flow, and 2,534 with positive cash flow of $100 or less.

Q. How long are financial statements retained?

A. The Companies' response to I/R PULP-132 (Exhibit ___(WDY-17) at 3) states that NYSEG and RG&E retain financial statements for five years.

Q. How long do financial statements remain valid before updated documentation is required by NYSEG and RG&E?

A. The Companies' response to I/R PULP-133 (Exhibit ___(WDY-17) at 3) states that financial statements remain valid for 30 days after which NYSEG and RG&E require updated documentation.

Q. Have NYSEG and RG&E implemented AI into any of their customer service operations related to DPAs, or put forth any proposals to do so in their filings in these proceedings?

A. The Companies' response to I/R PULP-67 (Exhibit ___(WDY-15) at 99) states that NYSEG and RG&E are actively evaluating the use of AI within customer service operations. They indicate that, currently, this is being carried out through the Virtual Assistant Chatbot ("AVA"), which provides automated guidance and directs customers to appropriate information and resources, including those related to DPAs.

Q. What steps, such as financial screening, do NYSEG and RG&E CSRs take in outbound calling with residential customers in arrears?

A. The Companies' response to I/R PULP-68 (Exhibit ___(WDY-15) at 99 - 100) states that, when CSRs conduct outbound calls to residential customers with past due arrears, they review accounts to assess their current status and determine potential eligibility assistance. The response goes on to say that CSRs evaluate eligibility for DPAs as part of this process. It concludes by indicating that customers will complete financial statements when necessary. This process involves discussing customer income and expenses to help establish payment agreements that align with their financial circumstances.

Q. Were you able to determine how many minimum deferred payment agreements were requested, and how many were rejected; in 2023 and 2024, and through September 30, 2025?

A. The Companies' response to I/R PULP-151 (Exhibit ___(WDY-17) at 41) states that NYSEG and RG&E did not track how many minimum deferred payment agreements were requested and how many were rejected during this period.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies use DPAs to avoid service termination whenever possible by making them more accessible to customers. To accomplish this, NYSEG and RG&E should implement a number of changes involving the administration of DPAs, including but not limited to:

- Automatically offering minimum deferred payment agreements to any EAP participants who would have received standard DPA offers through regular collection efforts;
- Training CSRs to request to take financial statements once customers indicate they cannot afford standard agreement offers, and;
- Training CSRs to initiate negotiation of DPAs outside the bounds of minimum and standard DPAs when customers do not financially qualify for minimum DPAs.

Q. Do you have proposals regarding the use of financial statements during the DPA process?

A. Yes. My first recommendation is that NYSEG and RG&E significantly change the process by which they handle minimum DPAs for customers who have had their service terminated. Customers in these situations may not have access to physical documents without light or safe heating conditions in their home. Additionally, they may be without access to phones or electronic devices due to their inability to charge such devices or to connect to the internet, which present obvious obstacles to completing financial statements. In these circumstances, the current practice of requiring supporting documentation from customers seeking minimum DPAs in order to reconnect service places the greatest burden on those customers who may be the least able to provide them. This may result in dangerous delays in the restoration of service for customers who cannot afford a standard DPA offer also but cannot immediately produce supporting documents for a minimum DPA.

As a solution to this problem, I propose that the Companies complete verbal financial statements in the first instance of contact with customers who have had a service termination and who indicate that they cannot afford standard offers. For customers who appear to be eligible for minimum DPAs, I propose that NYSEG and RG&E order service reconnection immediately and provide 30 days for the submission of any necessary supporting documentation.

Q. What is your next proposal for the use of financial statements during the DPA process?

A. My next recommendation is that NYSEG and RG&E use proof of enrollment in means-tested public benefit programs as an alternative qualifier for minimum DPAs. For customers enrolled in EAP, the requirement for completion of financial statements should be waived. For customers not enrolled in EAP at the time they request minimum DPAs, proof of enrollment in any EAP eligibility-conferring program should be used in lieu of financial statements. Since proof of enrollment in one of these programs also evidences eligibility for EAP program, CSRs should assist such customers in applying for EAP at the same time they extend them offers for minimum DPAs.

Q. Do you have any other proposals for the use of financial statements in the DPA process?

A. Yes. For circumstances in which financial statements must be used, I recommend that the Companies require the least information necessary to establish eligibility for non-standard DPAs. Examples include, but not limited to:

- Discontinuing requirement for notarized documents, as this is incredibly onerous for customers residing rural areas, which account for significant parts of the service territories (particularly NYSEG's);
- Limiting the forms of support needed to two forms of documentation;
- Limiting the forms of support needed for EBD and LSE customers to one form of documentation;
- Reviewing all documents submitted to the Companies within 24 hours;
- Standardizing the financial statement procedures followed by CSRs on a comprehensive basis;
- Revisiting the total household food budgets the Companies allocate for customers to ensure they align with inflation and other cost-drivers, such as whether customers reside in locations in which food can be more expensive (e.g. rural areas and DACs), and;

- Negotiating DPAs of $20 per month should be offered with $0 downpayment in situations in which customers cannot produce documents required to support financial statements but have clear proof of hardship (e.g. participation in EAP, defaulting on standard DPAs, multiple FTNs generated in a 6-month period).

Extensions for Payments

Q. Were you able to determine whether NYSEG and RG&E provide for recurring monthly bill extenders or other flexible payment options for customers who receive fixed income payments on set dates each month?

A. The Companies' response to I/R PULP-128 (Exhibit ___(WDY-17) at 3) states that NYSEG and RG&E offer a convenient due date billing program for residential customers who receive fixed income checks after their bill's standard due date. This program adjusts the due date to the 6th of each month.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies increase and improve outreach and education pertaining to the convenient due date billing program so as to ensure customers who may benefit from the program know that it exists and how they may access it.

Q. What outreach and education proposals do you suggest?

A. I propose that the Companies screen EBD customers to assess whether they may benefit from the program. I also propose that NYSEG and RG&E screen any customers who have made consecutive late payments on or around the same date each month to assess whether they may benefit from the program. The Companies should advertise the convenient due date billing program in all their regular outreach and education materials about special protection programs; including, in particular, on their websites alongside the other special protections they offer. Concurrently, NYSEG and RG&E should train their customer service representatives to offer the convenient due date billing program to any customers indicating that they are on fixed incomes.

Coding For Medical Emergencies and Life Sustaining Equipment

Q. What are the methods by which NYSEG and RG&E residential customers may submit medical certification or life sustaining equipment forms?

A. The Companies' response to I/R PULP-05 (Exhibit ___(WDY-15) at 38) states that they accept medical certifications via the medical portal or fax from the treating physician office. Certifications must be submitted by physicians, physician assistants, or nurse practitioners only. Their response to I/R PULP-16 states that they then email acknowledgment of receipt to the medical provider's office, but do not currently send such acknowledgments to the customer. (Exhibit ___(WDY-15) at 41, 43 – 44)

The Companies indicate that customers seeking coding for life sustaining equipment can submit a life sustaining equipment survey by mail, fax, email, or at a walk-in office. Physicians can submit surveys on behalf of customers through a medical portal maintained by the Companies.

Q. What is the NYSEG and RG&E process for receiving, reviewing, and approving medical certification and life sustaining equipment forms?

A. The Companies' response to I/R PULP-06 (Exhibit ___(WDY-15) at 38 - 39) indicates that the process for receiving medical certification requests is through their medical portals or dedicated fax lines, which then route them to inboxes monitored by dedicated staff. Certificates are reviewed to verify they are written on stationery or letterhead; include the doctor, nurse practitioner or physician assistant state registration or license number and signature; both the patient's and the customer of record's name and address; and statements as to the specific nature of the illness, how long it is expected to last, and that the "absence of utility service will aggravate..." such serious illness. To the extent that these criteria are met, NYSEG and RG&E staff complete the medical emergency process, place holds on the applicable accounts, and mail medical emergency expiration letters to them. (Exhibit ___(WDY-15) at 47 - 56) Medical certificates that do not meet these requirements are faxed back to the treating physician's office in order to provide the missing or incomplete information.

To qualify for life sustaining equipment (“LSE”) coding, the Companies’ response to I/R PULP-06 indicates that customers and their physicians are required to complete a survey mailed to the customer, which the customer can return via mail, fax, walk-in office, or email. A 30-day hold is then placed on the customer’s account while completed surveys are reviewed and processed by a customer advocate. The accounts of customers who qualify for protections are coded as such; whereas denial letters are mailed to those customers whose accounts do not qualify for protection.

Q. When invalid medical certificates are faxed back to physician offices to provide missing or incomplete information, are there any instructions or other feedback provided along with the invalid certification to assist with completion?

A. The Companies state that instructions outlining the requirements for valid medical certificates are included with submissions returned due to missing or incomplete information (Response to I/R PULP-17: Exhibit ___(WDY-15) at 40; Sample instructions included as attachments to this response can be found at Exhibit ___(WDY-15), 45 – 46.

Q. When customers complete life sustaining equipment application forms and select the box indicated as “other”, what process do the Companies use in determining whether apparatuses used by customers constitute life sustaining equipment?

A. The Companies’ response to I/R PULP-15 (Exhibit ___(WDY-15) at 39) state that, when they receive life sustaining equipment surveys that indicate “other”, customer advocates contact the physician’s office to get clarification on the equipment they are certifying. The box for “other” is reserved for equipment that may not be listed but would qualify as life sustaining equipment based on its reliance on electric service in order to operate.

Q. Do the Companies have an expedited process for reviewing life sustaining equipment or medical certification requests submitted after service termination?

A. The Companies’ response to I/R PULP-19 (Exhibit ___(WDY-15) at 40) states that they immediately reconnect service when customers inform them that there is qualifying life sustaining equipment being used in the household. Concurrently, they mail such customers a life sustaining equipment survey and place a 30-calendar day hold is placed on their account. With regard to medical certification requests, the Companies state that they immediately review medical certificates as they are received, and prioritize the consideration of accounts that have had service terminated.

Q. How do NYSEG and RG&E track the submission of medical certifications and life sustaining equipment forms?

A. The Companies' responses to I/Rs PULP-07, PULP-08, PULP-13 and PULP-20 (Exhibit ___(WDY-15) at 39, 42) state that medical certification and life sustaining equipment forms are tracked on a shared spreadsheet, however, they do not currently collect data related to the methods by which medical certification or life sustaining equipment survey forms are submitted. They also do not track the processing time for medical certification or life sustaining equipment surveys based on the method of submission, or the number of service restorations made on the basis of medical certification or life saving equipment requests.

Q. Were NYSEG and RG&E able to provide any data on the number of medical certifications accepted versus rejected?

A. The Companies' response to I/R PULP-18 (Exhibit ___(WDY-15) at 41) indicates that NYSEG accepted 295 certifications in 2023, 625 in 2024 and 517 in the six months ended June 30, 2025; while RG&E accepted 281, 680 and 630 certifications during the same periods. The response goes on say that NYSEG rejected 315 certifications in 2023, 1,096 in 2024 and 924 in the six months ended June 30, 2025. Finally, the response states that tracking of rejected certifications at RG&E only commenced as of April 22, 2025, with 459 being rejected through June 30.

Q. What are the number of, and medical qualifications of, NYSEG and RG&E FTEs dedicated to medical certifications and life sustaining equipment verification and coding?

A. The Companies' responses to I/Rs PULP-10 through PULP-12 (Exhibit ___(WDY-15) at 39) indicate that there are three NYSEG and to RG&E dedicated staff dedicated to reviewing medical certificates; and nine Customer Advocates dedicated to life sustaining equipment certification. According to NYSEG and RG&E, these resources do not possess any form of advanced degree in the medical profession.

Q. Do NYSEG and RG&E distribute any outreach and education materials to medical providers to assist them in completing and submitting medical certification and life sustaining equipment requests?

A. The Companies' response to I/R PULP-22 (Exhibit ___(WDY-15) at 42) states that they have not developed outreach and educational materials to guide medical providers on completing and submitting medical certification or life sustaining equipment requests; indicating that certifications are submitted by medical providers based on clinical expertise and existing familiarity with the process.

Q. In these proceedings, have NYSEG and RG&E put forth any proposals to update or improve the process involving medical coding or life sustaining equipment requests?

A. The Companies' response to I/R PULP-23 (Exhibit ___(WDY-15) at 42) states, while they have not proposed any such updates or improvements in their filings in these proceedings, they recognize the importance and priority of medical coding and life-sustaining equipment requests, remain committed to evaluating opportunities for process improvement, and remain open to exploring future initiatives and enhancements to the process.

Q. Do the Companies track whether customers with medical, EBD or life sustaining equipment coding have back up power access?

A. The Companies' response to I/R PULP-102 (Exhibit ___(WDY-15) at 143) states that NYSEG and RG&E retain completed Life-Sustaining Equipment (LSE) surveys for accounts coded with life support status. These surveys include information on whether the customer has access to backup power.

The response goes on to say that, currently, there is no tracking system in place regarding backup power for accounts coded as medical or EBD. However, EBD accounts receive a 72-hour notice year-round prior to any potential service disconnection. It further indicates that these accounts are reviewed by customer advocates, who may also collaborate with outside agencies to ensure appropriate support before any field disconnects are carried out.

The response concludes by stating that the NYSEG and RG&E websites provide generator safety information, which representatives are encouraged to share with customers as needed.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies implement a procedure for medical certifications that includes outreach to both providers and customers regarding the medical certification process and its requirements. Many medical providers are not aware that these protections exist, an unfamiliarity that can create delays and barriers to submission. The Companies should provide educational materials to providers indicating how to complete and submit medical certifications, which would reduce the burden on already overwhelmed customers of having to explain this unfamiliar process to their providers.

Q. Do you have other proposals pertaining to the medical certification process?

A. Yes, I have several additional recommendations, including that NYSEG and RG&E should:

- Set clear timeframes for review and processing of certifications, prioritizing disconnected households to avoid delays in reestablishing service. I propose an expedited (e.g. maximum 24-hour) review turnaround for households who are disconnected, and a maximum 72-hour turnaround for non-disconnected households who have been issued final termination notices;
- Include medical certification forms with the termination notices they send to customers, as this will provide more time for customers eligible for medical protections to coordinate the submission of necessary documentation by their providers before any service termination occurs;
- Create and distribute standardized medical certification forms. These should be reviewed to ensure they ask only information required by HEFPA, thereby avoiding the risk of requiring medical professionals to violate HIPAA when completing certification forms. Focusing only on HEFPA-required information would have the

added benefit minimizing burdens on customers, their medical providers and the Companies by eliminating the need to determine whether non-standardized letters conform with HEFPA requirements;

- Include enhanced tracking and monitoring in the medical certification process to better understand which homes are medically vulnerable, and the nature of the barriers being experienced by these households. Where appropriate—for example, in situations involving terminal illnesses—medically vulnerable homes should be coded indefinitely, even when collections holds are not placed on their accounts. This would ensure that the Companies are able to reach out to such households regarding medical certifications in the event they become at risk of disconnection. Tracking and monitoring should also include whether households-at-risk have alternative power sources—information that can be captured when customers first apply for service, and during verification and re-certification using their standardized medical certification forms, and;

- Extend medical certification holds to at least 60 days (preferably longer). Provider offices are increasingly overwhelmed and finding themselves unable to turn around monthly re-certification letters on a timely basis. Moreover, customers with chronic conditions often experience hardship for extended periods and can themselves become overwhelmed by being required to request re-certification by their providers every thirty days. Sometimes, it's not even possible for such customers to undertake fulfilling this requirement, which then puts them at risk of shut-off. At the very least, therefore, the Companies should give customers with chronic conditions extended notice (e.g. two-weeks or more) of their upcoming expiration date, so as to ensure they have sufficient time to coordinate re-certification through their medical providers.

Language Access

Q. How do NYSEG and RG&E monitor trends in the languages accessed by their customers?

A. The Companies' response to I/R PULP-24 (Exhibit ___(WDY-15) at 58) states that they monitor website language access via browser based translation-analytics. Attachment 1 to this interrogatory shows the breakdown by language since the inception of the current rate plan. (Exhibit ___(WDY-15) at 61)

Q. Did you find anything noteworthy in these data?

A. For both NYSEG and RG&E, English was, at 98%, overwhelmingly the most frequently accessed language based on browser analytics. However, it is also interesting that Spanish (the second most frequently accessed language) increased in each period as a percentage of languages accessed, albeit from a very small base.

Q. Have NYSEG and RG&E expanded website language access for customers with limited English language speaking abilities during the current rate plan?

A. The Companies' response to I/R PULP-25 (Exhibit ___(WDY-15) at 58) states that they added a "languages" link in the footer of the websites providing further visibility on translation services available to customers for both interpreter services by phone and web-based browser translation services. Attachment 2 to this interrogatory shows examples of this capability. (Exhibit ___(WDY-15) at 62 – 67)

Q. In which languages besides English are customer communications provided?

A. The Companies' response to I/R PULP-26 (Exhibit ___(WDY-15) at 58) states that bills are currently printed in English. It further indicates that Spanish translation is included on the Energy Affordability Program (EAP) application, some field notices, and various assistance fact sheets, including the Home Energy Assistance Program (HEAP) and EAP, life support equipment, and financial assistance services and programs. Many gas safety educational materials are also translated into Spanish. Additionally, the Companies' scratch and sniff odorant insert includes translation to Spanish, French, Italian, Portuguese, Arabic, Chinese, Thai, Russian and Vietnamese. Finally, the response goes on to say that the Companies' websites, social media sites and online AI energy assistant, Ava, can be translated into a customer's preferred language via inherent browser functionality.

Q. What kind of analyses, and how frequently, do NYSEG and RG&E conduct to identify commonly spoken languages in their service territories?

A. The Companies' response to I/R PULP-27 (Exhibit ___(WDY-15) at 58) states that they monitor trends in languages utilizing the most recent Federal census. They also indicate that they monitor trends in languages accessed by customers via telephone interpreter service used in the Companies' overall service areas, with Spanish being the most prevalent language accessed for both NYSEG and RG&E. Finally, they cite their aforementioned response to I/R PULP-24, which describes their language access monitoring via browser based translation-analytics.

Q. Have any of these analyses looked into EAP eligible customers specifically?

A. The Companies' response to I/R PULP-28 (Exhibit ___(WDY-15) at 58 - 59) states that they monitor traffic to "Help with Bill" and EAP-related assistance web pages, and that twelve month traffic to these pages included English language users (98.9%); Spanish language users (0.9%); Chinese language users (0.08%) and other language users (<0.02% each).

Q. What types of language access services are available to customers in person, through call centers, or through online account management systems (e.g., chat bots, online messaging, etc.)?

A. The Companies' response to I/R PULP-29 (Exhibit ___(WDY-15) at 59) states that, for in-person interactions, walk-in office representatives at both NYSEG and RG&E utilize "Lionbridge", a professional language interpretation telephone service, to support customers who require assistance in languages other than English. Additionally, at the RG&E's West Avenue location, the Companies have two Spanish-speaking representatives available to directly support Spanish-speaking customers without the need for third-party interpretation.

Their response further states that, for call centers, contact center representatives also utilize Lionbridge. Finally, the Companies indicate that, for online interactions, browser-based translation services are compatible with all web-based content, including online-account management pages, as well as Ava, the Companies' chat bot.

Q. For each company, how many bilingual customer-facing FTEs are available, and which language(s) do they speak?

A. The Companies' response to I/R PULP-30 (Exhibit ___(WDY-15) at 59) states that at RG&E's West Avenue walk-in office two Spanish speaking FTEs are available. They further indicate that there are no bilingual company call center FTEs available; instead, Lionbridge is used. However, the Companies do indicate that external call center vendors have trained bilingual agents.

Q. How do the Companies ensure that limited English proficiency customers have access to medical certification or lifesaving equipment request processes?

A. The Companies' response to I/R PULP-31 (Exhibit ___(WDY-15) at 59) states that customers who initiate Medical Emergency protections through customer care representatives can access Lionbridge translation services if they have limited English proficiency. Their response further states that those customers initiating Life Support protections through customer care representatives can access Lionbridge translation services if they have limited English proficiency; and that the Company's Life Support Program fact sheet is also available in English and Spanish.

Q. In these proceedings, have NYSEG and RG&E put forth any proposals to improve language access for customers with limited English proficiency?

A. The Companies' response to I/R PULP-32 (Exhibit ___(WDY-15) at 59 - 60) states NYSEG and RG&E recognize the importance of ensuring equitable access to services for customers with limited English proficiency (LEP), and that while no specific new enhancements are proposed in this rate filing, the Companies' existing systems and operational practices are designed to support the diverse language needs of their customer base. Specifically, they identify that their websites and chat applications are compatible with browser-based translation tools, allowing customers to view content in their preferred language using native browser functionality; and that eternal call center vendors engaged by the Companies, maintain bilingual staffing capabilities, ensuring that LEP customers can receive assistance in commonly spoken languages. Their response concludes by stating that they will continue to monitor customer needs, including those related to language access, and will make adjustments to service delivery as necessary to ensure inclusive and effective communication.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies expand their tracking and monitoring of customer language preferences. This process should start by asking customers to indicate their preferred language on their start service applications. They should then routinely verify language preferences, similar to and/or in conjunction with their process for updating customer contact information. Collecting this data will allow the Companies to keep apprised of the language access needs of their customer base; and serve to inform their decisions involving the hiring of bilingual FTEs, conducting of expanded outreach, developing enhanced translation of materials, and pursuing other language access initiatives.

Q. What are your recommendations for language access having to do with essential communications?

A. Whenever possible, I recommend that NYSEG and RG&E provide bills; applications; and essential communications such as termination, outage, emergency, and other notices in customer-preferred languages. Consistent with this proposal, I recommend that the Companies offer 15-day extensions to limited English proficiency (LEP) customers who, at any point in the collection process, self-identify language preferences that were previously uncoded in order to provide them with the same opportunities of resolving their past-due balances without service termination as are afforded to English proficient customers. (I note that such a proposal was adopted by the signatory parties in most recent Central Hudson proceedings, Case 24-E-0461 et al.[111])

Q. How can NYSEG and RG&E monitor whether current communications initiatives are effective in providing equitable service to LEP customers?

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[111] See: *Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans*, Cases 24-M-0461 et al., at 83. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4091A998-0000-C61A-AC58-2431EE2485A1}.

A. To assess the effectiveness of these initiatives I propose that the Companies develop analytical tools designed to identify whether LEP customers may be experiencing less than satisfactory service through indicators such as having to make or receive repeat calls about their service, reporting lower customer satisfaction, or experiencing lower EAP enrollment. Barriers such as these can be overcome through targeted outreach initiatives like ensuring interpretations are accurate and effective, and pursuing EAP enrollment outreach in customer-preferred languages.

Q. Do you suggest that NYSEG and RG&E collaborate with community-based organizations (CBO's) to achieve better interactions with their LEP customers?

A. Yes. CBOs often work closely with LEP communities by assisting with interpretations or resource mapping. By sharing translated materials and information with CBOs pertaining to customer rights and responsibilities, especially as related to collections processes and medical, LSE, and EBD coding, LEP customers can improve their access accurate and beneficial information that will help them retain service and manage their bills.

Elderly, Blind or Disabled ("EBD") Customers

Q. Why types of outreach do NYSEG and RG&E undertake to enroll eligible customers as elderly, blind or disabled ("EBD"); and have the Companies proposed any initiatives in these proceedings to update or improve the customer experience or outreach and education for EBD customers?

A. The Companies' response to I/R PULP-81 (Exhibit ___(WDY-15) at 110) states that their current outreach efforts include encouraging customers to self-identify within the annual residential rights and responsibilities brochure distributed each March and at the start of service for new customers. The response goes on to say that special protections are also highlighted within the Companies' Help with Bill webpages, featuring various bill and financial assistance programs available including special coding for older persons, blind and disabled customers. It then identifies as Attachment 1 the Companies' rights and responsibilities brochures and related webpages (Exhibit ___(WDY-15) at 114 – 125).

The Companies response concludes by indicating that their current rate filing does not explicitly identify specific proposals aimed at enhancing outreach and education for EBD protections, but that they continue to conduct outreach and education awareness for special protections and energy affordability through their current education and outreach plans.

Q. How many NYSEG and RG&E customers are currently EBD coded?

A. The Companies' response to I/R PULP-81 (Exhibit ___(WDY-15) at 110) states that, as of September 12, 2025, NYSEG had 62,930 customers and RG&E had 22,007 customers coded as EBD.

Q. What is the average time it takes for eligible customers to be coded for EBD protections?

A. The Companies' response to I/R PULP-82 (Exhibit ___(WDY-15) at 110) states that when customers inform the Companies of any special protections, and their household meets the eligibility criteria for EBD protection, their accounts are coded for EBD either immediately during phone calls with representatives or through written correspondence, within 48 hours.

Q. What percentage of NYSEG and RG&E customers EBD applications were approved in 2023 and 2024, and year-to-date 2025?

A. The Companies' response to I/R PULP-83 (Exhibit ___(WDY-15) at 110) states that NYSEG and RG&E do not require applications or proof for EBD protections; therefore, percentages for approvals or denials are not tracked. The response goes on to say that EBD protection is completed verbally at the start of service, through written correspondence, or when customers contact the Companies to report changes in household composition. In such cases, accounts are coded with EBD protections over the phone.

Q. How many NYSEG and RG&E customers EBD applications are currently outstanding?

A. The Companies' response to I/R PULP-84 (Exhibit ___(WDY-15) at 110) states that NYSEG and RG&E currently do not require EBD applications or require proof for program enrollment in EBD protections.

Q. What forms of specific outreach do NYSEG and RG&E undertake to customers whose EBD applications are outstanding?

A. The Companies' response to I/R PULP-86 (Exhibit ___(WDY-15) at 110) states that they do not conduct specific outreach for outstanding EBD applications, as enrollment protections are provided without requiring an application or supporting documentation.

Q. At what point, and under what circumstances, are the outstanding EBD applications of NYSEG and RG&E customers removed from consideration?

A. The Companies' response to I/R PULP-87 (Exhibit ___(WDY-15) at 110) states that they currently do not require EBD applications or proof for program protection enrollment; therefore, there is no queue associated with outstanding EBD applications.

Q. What renewal processes are required for accounts with EBD coding, if any?

A. The Companies' response to I/R PULP-88 (Exhibit ___(WDY-15) at 111) states that they currently do not have a renewal process for EBD protections. Instead, they indicate those enrolled as EBD will continue in the program unless the Companies receive notification that customer status has changed.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies engage in outreach and education efforts to inform customers of these rights—other than at the initiation of service and in the March annual residential rights and responsibilities brochure. Specifically, I recommend that the NYSEG and RG&E engage in extended outreach to customers through in-person events and outreach to further assist EBD customers. I additionally propose that NYSEG and RG&E conduct home surveys once every three years via USPS (and email, if on file) to screen for EBD protections as needed. The Companies' customer advocates should also screen for EBD when working with customers.

Q. Should any additional protections be considered for EBD customers who are enrolled in EAP?

A. Yes. I propose that EAP participants who are identified as EBD be extended the following protections:

1. Additional outreach during the collections process with specific, targeted recommendations for such customers based on their county of residence and availability of resources, such as assistance with HEAP applications;
2. Direct outreach via automated emails or letters pertaining to shareholder-funded assistance programs;
3. Waiving financial statement requirements for obtaining minimum DPAs for EAP participants identified as EBD customers, whether or not service termination has taken place (this would lower the burden for vulnerable customers who might not have access to means of providing documentation for financial statements), and;
4. Allowing EAP participants who complete financial statements and are identified as EBD customers to enter into new minimum DPAs even if they have defaulted on ones in the past. In this instance, I propose a financial statement with an easily met burden of proof of income, for example, a bank statement or letter from DSS should be sufficient.

Customers Seeking Assistance From Departments Of Social Services ("DSS")

Q. What protective measures are provided to NYSEG and RG&E customers who indicate that they have submitted applications for financial assistance their Department of Social Services?

A. The Companies' response to I/R PULP-89 (Exhibit ___(WDY-15) at 111) states that they evaluate customer accounts individually to determine eligibility for protective holds when such customers engage with CSRs. They indicate further that pending applications for financial assistance alone do not automatically qualify accounts for holds, but that DSS may contact the Companies' low-income representatives to request holds while applications are being processed. The response concludes by stating that these requests are also reviewed on a case-by-case basis to determine whether holds can be applied.

Q. In what circumstances are NYSEG and RG&E customers eligible for protective holds, and are there any circumstances in which protective holds are not permitted?

A. The Companies' response to I/R PULP-90 (Exhibit ___(WDY-15) at 111) states that customer accounts are evaluated individually in coordination with DSS representatives when holds are requested due to pending applications. They indicate that there are no predefined criteria that automatically qualify or disqualify customers; rather, they state that each situation is unique and may require tailored approaches based on specific circumstances.

Q. In situations involving the inability of NYSEG and RG&E customers to access DSS offices for financial assistance due to weather, transportation, or other issues, is application for financial assistance through other state agencies or nonprofit organizations sufficient to secure protective holds?

A. The Companies' response to I/R PULP-91 (Exhibit ___(WDY-15) at 111) states that while the existence of pending applications with other state agencies or non-profit organizations alone do not automatically qualify customer accounts for protective holds, each account is reviewed individually and there may be additional account-specific factors that warrant further consideration.

Q. What documentation is required from NYSEG and RG&E customers in order for them to obtain protective holds on their accounts in situations in which they indicate they are awaiting financial assistance from DSS?

A. The Companies' response to I/R PULP-92 (Exhibit ___(WDY-15) at 111) states that they may place holds customer accounts based on verbal confirmations from DSS indicating that pending applications exist. The response goes on to say that holds are not standardized and may be applied for varying durations depending on current customer status and their individual circumstances. It concludes by stating that accounts are reviewed on a case-by-case basis to determine the appropriate length and conditions of holds.

Q. What is the procedure for notifying NYSEG and RG&E customers that their protective holds have ended or about to expire?

A. The Companies' response to I/R PULP-93 (Exhibit ___(WDY-15) at 111) states that they discuss and determine the duration of holds based on customers' current situations at the time of conversations with customers or DSS representatives.

Q. Is there a maximum number of protective holds that NYSEG and RG&E customers can be granted in any year?

A. The Companies' response to I/R PULP-94 (Exhibit ___(WDY-15) at 111) states that there is no maximum number of protective holds customer may qualify for within any calendar year. The response indicates that each request is evaluated individually based on current customer circumstances and supporting information, and that holds may be applied as needed to support such circumstances.

Q. Please describe any processes in which NYSEG and RG&E collaborate with departments of social services to verify whether assistance applications have been submitted or are in process?

A. The Companies' response to I/R PULP-95 (Exhibit ___(WDY-15) at 111 - 112) states that DSS has access to dedicated telephone lines that connect them directly with the Companies' low-income representatives. These lines are used to discuss customers' current situations and any pending applications. The response goes on to say that, to initiate protective holds, they must receive verbal verifications from DSS and conduct reviews of customer account status to determine eligibility. The response concludes by stating that customer advocates also collaborate with DSS to verify assistance applications and vulnerability in households for the Companies' protected customers and initiate protective holds if notified by DSS.

Q. Since the beginning of the current rate plan, how many outreach and education events have NYSEG and RG&E sponsored, and how many of these events have included DSS representatives?

A. The Companies' response to I/R PULP-96 (Exhibit ___(WDY-15) at 112) states that 309 outreach and education events were sponsored by the Companies in 2023, 284 were sponsored in 2024, and 193 have been sponsored thus far in 2025. The response indicates that none of these events have included participation from DSS.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that when the Companies are notified by customers, DSS, or Community Based Organizations ("CBOs") that there is a pending application or pledge of funding, they place a standardized 30-day hold on collections. When DSS or CBOs provide proof of funding, the Companies should extend pauses to allow for the disbursal of funds. Additionally, when customers are denied assistance, the collections process should restart to provide additional time for customers to access funds, negotiate DPAs, or find other assistance. This will protect LMI customers who might experience difficulty navigating the availability of assistance resources as the federal landscape continues to change.

Q. What materials should qualify as proof of pending application or pledge of funding?

A. The proof and verification pathways should be as low-burden as possible for customers. I propose that, annually, the Companies allow customers two instances of verbal or written self-attestation of pending application for funds that would qualify them for initial 30-day holds. For customers exceeding two requests in one year, I propose that the Companies communicate directly with DSS or the CBO to request proof of pending application or pledge of funding, including but not limited to:

1. Case number or application confirmation;
2. DSS or CBO verbal/written attestation, and/or;
3. Pledge letter from CBO.

Q. What should happen once customers receive grants or payments are made on their behalf, but the amounts are not sufficient to prevent shut off?

A. In such circumstances, I propose that customers be automatically offered minimum DPAs, regardless of past credit history or default. I also propose that no financial statement be required to enter into these minimum DPAs, as these customers have already qualified for assistance. Such measures would allow these customers to have a clean start with as little burden as possible to resolve their past-due balances.

Smart Meters

Q. Were you able to identify any standardized NYSEG and RG&E process for testing smart meters before installation and auditing them after installation?

A. The Companies' response to I/R PULP-134 (Exhibit ___(WDY-17) at 5) states that all new meter models must undergo a rigorous approval process under witness by the PSC and comply with the requirements of 16 NYCRR Part 93 and ANSI C12.20 prior to use for revenue metering in NYS. The response indicates that the Companies' current Smart Meters (Itron Gen5 Riva) received approval from the commission under Cases 21-E-0456 and 21-E-0624; that NYSEG and RGE perform PSC mandated sample testing on all new meter shipments in accordance with ANSI standards; and that the Companies perform annual Statistical and Variable in-service meter accuracy test programs in accordance with NYS 16 NYCRR Part 92 which are reported annually to the State. The response concludes by stating that in 2025, NYSEG is required to accuracy test 1,234 smart meters due to its current installed population, and RGE is required to test 867 smart meters.

Q. Do NYSEG and RG&E provide outreach and education materials for smart meters to their customers?

A. The Companies' response to I/R PULP-135 (Exhibit ___(WDY-17) at 6) states that NYSEG and RG&E smart meter outreach and education materials are included in data response NYRC-0882-DPS-0834, Attachment 1 to which includes communications customers will receive as part of the installation process, Attachment 2 to which includes fact sheets, frequently asked questions and website content including videos available to customers and the public, and Attachment 3 to which includes mass media campaigns highlighting customer benefits. (Exhibit ___(WDY-18)

Q. Do NYSEG and RG&E follow any Public Service Commission mandated protocols for meter accuracy testing? If so, please describe these protocols and how they differ between various types of meters.

A. The Companies' response to I/R PULP-136 (Exhibit ___(WDY-17) at 6) states that NYSEG and RG&E perform annual statistical and variable in-service meter accuracy test programs in accordance with NYS 16 NYCRR Part 92 which are reported annually to the State. The response also refers to Attachment 1. (Exhibit ___(WDY-17) at 10 - 36)

Q. Were you able to determine whether NYSEG and RG&E identified any repeat issues with smart meter performance, installation, or accuracy since deployment began?

A. The Companies' response to I/R PULP-137 (Exhibit ___(WDY-17) at 6) states that no issues have been identified with smart meter performance, installation or accuracy.

Q. Do you know what procedures NYSEG and RG&E follow when investigating customer complaints about smart meter following installation?

A. The Companies' response to I/R PULP-138 (Exhibit ___(WDY-17) at 6) states that when customers raise concerns about smart meters following installation, NYSEG and RG&E follow a structured, multi-step process. The response indicates that this process includes:

- Complaint Intake: The response states that customers may report issues via phone, online portals, or in person. The nature of complaints—such as billing discrepancies, meter functionality, health concerns, or installation quality—is documented.
- Initial Review: The response states that the Companies review meter data, including usage history and communication logs, and compare smart meter data to historical usage from previous years to identify any anomalies or irregularities.
- Field Investigation (if needed): The response states that technicians may be dispatched to inspect meters and verify installation integrity.
- Meter Accuracy Assurance: The response states that every AMI (smart) meter installed is factory-tested for accuracy prior to deployment. Upon request, the Companies provide meter test dates and results to customers. In some cases, additional testing is performed either at customer properties or at the Companies' laboratories.
- Resolution & Communication: The response states that if errors are identified, meters may be recalibrated or replaced. Customers are provided with billing

histories, usage data before and after smart meter installations, and information on commodity cost fluctuations—which in most cases contributed to higher-than-expected energy charges.

- Customer Empowerment via Energy Manager Tool: The response states that with the installation of smart meters, customers gain access to the Companies' Energy Manager tool available on NYSEG and RG&E websites and mobile apps. This tool provides near real-time visibility into hourly, daily, monthly, and yearly energy usage. It empowers customers to monitor consumption patterns, identify inefficiencies, and make informed decisions to conserve energy and manage costs more effectively.

- Escalation & Analysis: The response states that for complaints filed with the PSC, the Companies conduct detailed analysis of customer consumption before and after smart meter installations. In many instances, increases in customer bills are attributed to rising commodity costs, which are outside of the Companies' control.

Q. Were you able to determine the most common complaints about NYSEG and RG&E smart meters?

A. The Companies' response to I/R PULP-139 (Exhibit ___(WDY-17) at 7) states that the most frequent complaints include:

- Unexpected Bill Increases: The response states that customers often report significant bill increases they believe occurred immediately after smart meter installation. NYSEG and RG&E maintain that smart meters are accurate. In most cases, the timing of these increases is attributed to seasonal usage (heating or cooling periods), more accurate recorded usage (replacing estimated reads), commodity cost increases, appliance behavior, or customer-side issues.

- Installation Issues: The response states that customers have reported missed appointments and communication issues from third-party contractors during the installation process. These complaints are reviewed and addressed with the vendor management team. The Company documents all data notices and field visits, including successful and unsuccessful installation attempts.

- Estimated Readings & Billing Errors: The response states that although smart meters are designed to eliminate estimated readings, prior analog meters were sometimes estimated for extended periods due to access issues. When actual readings were obtained during meter exchange, some customers received catch-up bills for previously underestimated usage. All final reads for analog meters are documented and checked for accuracy.
- Health & Safety Concerns: The response states that some customers express concerns about radio frequency (RF) emissions. NYSEG and RG&E refer to studies from the FCC and WHO confirming that RF levels from smart meters are well below established safety thresholds.
- Monthly Opt-Out Fees: The response states that customers who choose to opt out of smart meter installation are subject to monthly fees as outlined in the PSC-approved tariff. These fees are only assessed once opt-out customer sectors are fully accepted.

Q. What are NYSEG and RG&E's procedures related to testing or evaluation of original meters after they are removed and replaced with smart meters; and how often are meter that have been found to be inaccurate or malfunctioning?

A. The Companies' response to I/R PULP-140 (Exhibit ___(WDY-17) at 7) states that the majority of legacy meters that are removed due to the installation of smart meters are simply retired and scrapped. A subset of these meters is tested for accuracy before being retired and scrapped or restocked for AMI opt outs, in accordance with NYS 16 NYCRR Part 92. The response goes on to say that in 2024, the Companies tested 6,162 meters for accuracy and found that 49 of those meters tested outside of PSC limits; and that of the 49 meters, 47 tested below 98% registration (in the customers favor) and 2 meters tested above 102% registration.

Q. Under what circumstances are removed meters tested?

A. The Companies' response to I/R PULP-141 (Exhibit ___(WDY-17) at 7) states that NYSEG and RG&E routinely test removed meters.

Q. Were you able to determine if NYSEG and RG&E's smart meter technology measure energy consumption differently than the their traditional analog or digital meters?

A. The Companies' response to I/R PULP-142 (Exhibit ___(WDY-17) at 7) states that NYSEG and RG&E's smart meters (Itron Gen5Riva) measure energy consumption in the same manner as their traditional digital meters, using digital signaling processing and Hall Effect technology to measure the amount of current passing through the meter. The response indicates that the Companies' analog meters, which are being removed from service, use coils, magnetic fields and induction technology to spin metal disks; and that this technology is no longer being used in the metering industry.

Q. Did NYSEG and RG&E explain whether they are proposing any new or enhanced customer facing outreach materials on smart meters in their rate filings?

A. The Companies' response to I/R PULP-143 (Exhibit ___(WDY-17) at 7 - 8) states that NYSEG and RG&E recognize within the rate case filing that both inside meter access and misinformation have contributed to higher than anticipated smart meter opt outs. The response goes on to say that new or enhanced customer facing smart meter outreach plans are not specifically proposed within the rate case filing, as the nature of outreach and education plans require ongoing adjustments to support evolving circumstances. It concludes that some of the enhancements that have already occurred include increased outreach events and open houses in areas with high percentages of inside meters or misinformation, as well as additional media that counters smart meter misinformation, examples of which they refer to in Attachment 2. (Exhibit ___(WDY-17) at 38 - 39)

Q. Were you able to determine how many NYSEG and RG&E customers requested the Companies to test their smart meters for accuracy since 2022?

A. The Companies' response to I/R PULP-144 (Exhibit ___(WDY-17) at 8) states that NYSEG and RG&E do not maintain a formal tracking mechanism specific to customer-initiated requests for residential smart meter accuracy testing. The response indicates that inquiries related to meter accuracy are typically addressed through the broader customer service and complaint resolution process. It concludes by stating that in many cases, after reviewing concerns with customers, the Companies determine that a formal meter test is not necessary because the issue raised is attributable to other factors; such as: billing concerns, usage patterns, or supply costs- rather than malfunctions or inaccuracy of meters themselves.

Q. **Did NYSEG and RG&E indicate the average time it takes them to complete meter tests of residential smart meters; that is, from the date requests are made, to the date of investigations, and to the release date of the results to customers?**

A. The Companies' response to I/R PULP-145 (Exhibit ___(WDY-17) at 8) states that for both RG&E and NYSEG, the process of completing residential smart meter accuracy tests includes the following stages:

- From date of customer request to completion of the investigation: Average of 10 days, and;
- From completion of investigation to release of outcome to customer: Average of 1 day.

The response indicates that these averages reflect the Companies' standard operational timelines and commitment to prompt resolution of customer inquiries regarding meter accuracy.

Q. **Do NYSEG and RG&E charge reconnection fees when residential customers with smart meters are disconnected for nonpayment purposes?**

A. The Companies' response to I/R PULP-146 (Exhibit ___(WDY-17) at 8- 9) states that NYSEG and RG&E may charge reconnection fees when residential customers with smart meter are disconnected for nonpayment. It indicates that reconnection fee amounts range from $13.00 to $68.00.

Q. **What are your proposals for updating or improving these processes?**

A. In any multi-year settlement that results from these proceedings, I propose that several actions and protections be adopted regarding smart meters, including but not limited to:

1. As the Companies change out old meters for smart meters, and test the old meters, they should provide the test results in plain language as inserts accompanying customers'

next bills. This will help affected customers understand how their bills might be changing as a result of smart meter installation, especially in cases where their previous meters were not functioning properly;

2. In cases where EAP participants opt to keep their non-smart meters, NYSEG and RG&E should not assess additional monthly fees to their bills;

3. The Companies should eliminate fees for smart meter reconnections in the case of remote restorations, and;

4. NYSEG and RG&E should create and implement an automated phone and email survey that would elicit the concerns customers have with smart meters; and develop a targeted plan of outreach and education based on the findings. As part of the survey, the Companies should allow customers the ability to request a response back for specific concerns they wish to escalate.

Outreach To Customers Whose Service Has Been Terminated

Q. Do NYSEG and RG&E provide copies of any educational materials—whether online, in-person, or hard copy—regarding financial assistance or health and safety to the customer prior to or at the time-of-service disconnection.

A. The Companies' response to I/R PULP-97 (Exhibit ___(WDY-15) at 112 – 113) states that its field customer service representatives provide specific printed materials to customers prior to or at the time-of-service disconnection for non-payment. It goes on to say that these materials serve both as notification and as educational tools to inform customers of their rights, available assistance, and next steps. The response then references Attachments 2 – 8 (Exhibit ___(WDY-15) at 130 - 140) which include examples of bilingual (English/Spanish) notices used during field visits serving multiple purposes, including:

- Advance Notice of Disconnection: During the cold weather period or year-round for vulnerable customers, the appropriate box is checked to indicate that the customer has 72 hours to resolve the issue before service is interrupted.

- Disconnection Notification: If service is disconnected, the same notice is used to inform the customer and provide instructions for reconnection.

- Educational Content, including:
    - Contact numbers for payment arrangements and reconnection;
    - Instructions for safe restoration of electric or gas service;
    - Information on how to make payments online, via mobile app, or by phone, and;
    - Encouragement to contact the utility to discuss options before disconnection occurs.

The response concludes by stating that, in addition, customers have access to a variety of bill and financial assistance program resources on the Companies' websites, including bilingual (English/Spanish) printable fact sheets. It states that these materials are designed to ensure customers are informed of their rights, available financial assistance options, and the steps necessary prevent or resolve service interruptions.

Q. Do the Companies notify or coordinate with NYS Department of Health, County Public Health Departments, or other relevant agencies to flag potential medical risks when conducting disconnections?

A. The Companies' response to I/R PULP-101 (Exhibit ___(WDY-15) at 143) states that designated NYSEG and RG&E customer advocates are responsible for engaging with outside agencies in cases where field representatives identify the need for further intervention.

Q. How do you suggest NYSEG and RG&E might be able to help customers understand how they can have their utilities restored after service termination?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies' customer advocates create educational materials for distribution to local social service agencies and community based organizations that provide information about how disconnected customers can access locally available financial assistance or shelter services. Annually, prior to beginning of the cold weather period starting November 1, NYSEG and RG&E should also attempt to contact customers disconnected after April 15 who have not yet had service restored, in an effort to inform such customers of the Companies' procedures for reconnection, along with any resources that may be available to help them resolve their arrears.

Voluntary Suspension of Service Terminations During Cold Weather and Extreme Heat

Q. What protections during periods of extreme cold and heat did NYSEG and RG&E agree to provide in the Cases 22-E-0317 et al?

A. The Companies agreed to the following cold weather moratorium commitments and heat provisions:[112]

1. Cold Weather Protections

   NYSEG and RG&E agreed to continue to provide enhanced winter protections for residential customers during the cold weather period of November 1 - April 15 ("Cold Weather Period"), as defined by the HEFPA. These protections included:

   a) Providing customers with continued or restored service regardless of amount due and/or payment status when HEAP payment has been accepted by the Companies— excluding "Heat Included" benefits for households who pay for heat as a portion of their rental costs as explained in the OTDA HEAP information outline;

   b) Considering any Regular or Emergency HEAP payments as entitling applicants to fair and reasonable Deferred Payment Agreements ("DPAs") regardless of any previous DPA or e-DPA defaults;

   c) Refraining from scheduling residential service terminations in geographic operating regions on days when the wind chill values as shown on www.weather.gov are at or below freezing temperatures (32 degrees) such geographic operating regions, and;

   d) Continuing their voluntary moratorium on winter terminations for customers whose accounts are coded elderly, blind or disabled.

[112] See: *Order Adopting Joint Proposal*, Cases 22-E-0317 et al., at PDF 126. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={508D258B-0000-C11C-A3DC-C20B65EE38E7}.

2. Extreme Heat Protections

NYSEG and RG&E agreed to suspend residential terminations in geographic operating regions on days when temperatures are forecast at or above 85 degrees in such regions. They agreed to check the forecast each morning using the forecasts provided by the United States National Weather Service on any day when they are performing disconnects for non-payment.

Q. What internal and external communications processes, including with outside agencies, do NYSEG and RG&E follow on days the Companies determine to be extreme heat days that prevent service terminations for nonpayment?

A. The Companies' response to I/R PULP-98 (Exhibit ___(WDY-15) at 142) states that, daily, NYSEG and RG&E field supervisors review forecasted temperatures for their respective geographic areas to determine whether service disconnects should be suspended due to extreme heat conditions. The response indicates that supervisors then notify their relevant teams to confirm whether disconnects will proceed or be suspended.

The response concludes by stating that NYSEG and RG&E do not provide daily communications to external agencies regarding whether extreme heat days have been officially declared for specific regions, but that they do publish general extreme heat guidelines on their websites.

Q. Do NYSEG and RG&E undertake any outreach or other actions targeted to disconnected customers on extreme heat days including but not limited to wellness checks, referral to local health and safety agencies, service restoration, and prevention education to avoid another disconnection in the future?

A. The Companies' response to I/R PULP-99 (Exhibit ___(WDY-15) at 142) states that in situations where field representatives identify suspected serious impairments while in the field, they refer such cases to NYSEG and RG&E consumer advocates for appropriate follow-up actions. Based on the outcome of these follow-ups, these advocates may initiate additional referrals as needed to ensure proper support and resolution.

Q. Do NYSEG and RG&E have procedures or policies to suspend shutoffs during other climate related events or emergencies?

A. The Companies' response to I/R PULP-100 (Exhibit ___(WDY-15) at 142 - 143) states that NYSEG and RG&E have also suspended service disconnects during other climate-related events beyond extreme heat. The response indicates that the same process is followed in these cases: Company field supervisors assess conditions and notify internal resources via email regarding their decisions.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies continue the current customer protections in situations of extreme heat, with the additional clarification that they should suspend terminations on any day when the actual temperature reaches 85 degrees, even on days when an 85 degree temperature had not been forecast. I recommend that this protection be effective until it is superseded by any Commission Order in the extreme heat proceeding.

Q. Do you have proposals related to cold weather protections?

A. Yes, I propose that the Companies continue current cold weather protections, including suspension of service terminations when wind chill values are at or below 32 degrees. As with heat related protections, NYSEG and RG&E should suspend terminations not only for days with a forecasted low temperature of less than 32 degrees, but also on days when the wind chill temperature actually reaches 32 degrees or lower, regardless of forecasted temperatures for such days.

Digital Accessibility for Customers

Q. Were you able to determine whether NYSEG and RG&E are in compliance with the World Wide Web Consortium's Web Content Accessibility Guidelines (WCAG) 2.1 for all digital platforms, including websites, mobile apps, and online payment portals?

A. The Companies' response to I/R PULP-120 (Exhibit ___(WDY-15) at 196) states that while NYSEG and RG&E are compliant on some aspects, they are actively working to achieve full compliance across all platforms. The response goes on to say that the

Companies have completed an accessibility audit and are in the process of remediating the issues identified, indicating that the ongoing funding requested in this rate case is needed to continue auditing and remediation efforts each year to ensure all existing and future experiences are fully accessible.

Q. Were you able to identify the dates of the last two accessibility audits of the Companies' digital properties, and the names of any third-party services employed for accessibility audits?

A. The Companies' response to I/R PULP-121 (Exhibit ___(WDY-15) at 196) states that the last audit was completed on February 26, 2025 and that another was scheduled to be completed on September 30, 2025. It indicates that both audits will have been performed by Deque Systems Inc.

Q. Were you able to identify the types of assistive/adaptive technologies that are considered in NYSEG and RG&E's digital accessibility audits?

A. The Companies' response to I/R PULP-122 (Exhibit ___(WDY-15) at 196) states that the Deque audits use a combination of automated testing using the axe-core rules library, as well as manual testing. It goes on to say that manual testing is performed by accessibility experts at Deque and involves a combination of NVDA screen reader, braille displays, and Google Chrome browser.

Q. Do you know if whether NYSEG and RG&E perform accessibility audits with automated tools (e.g. Google Lighthouse), or manually?

A. The Companies' response to I/R PULP-123 (Exhibit ___(WDY-15) at 196) states that, as described in PULP-123, NYSEG and RG&E conduct audits with both automated and manual testing.

Q. Were you able to determine the range of formats in which the Companies are able to provide physical materials (e.g., bills, notices, information pamphlets) for customers with disabilities, including braille, large print, audio formats, or other accommodations.?

A. The Companies' response to I/R PULP-124 (Exhibit ___(WDY-15) at 196) states that large print invoices are available for customers at both NYSEG and RG&E, while braille bills are currently available to RGE customers only. It indicates that these only apply to invoices, not other materials. The response goes on to say that, for audio formats, the Companies have their standard IVR process for customers to be able to pay bills, report outages, and take other key actions via phone. It concludes by stating that NYSEG and RG&E also have TTY for deaf and hard of hearing individuals, which is a New York relay service accessed by dialing 711.

Q. How do NYSEG and RG&E customers request materials in these accessible formats, and what the average fulfillment time is for such requests?

A. The Companies' response to I/R PULP-125 (Exhibit ___(WDY-15) at 196) states that customers can request these by phone call and would be fulfilled for the next billing cycle.

Q. Were you able to ascertain the results of the accessibility audits of NYSEG and RG&E's websites as the Companies reported in response to I/R PULP-121, including any issues identified by Deque, and any steps taken by the Companies to address such issues?

A. The Companies' response to I/R PULP-147 (Exhibit ___(WDY-17) at 41) states that the accessibility audit conducted on February 26, 2025, did not identify any issues classified as Web Content Accessibility Guidelines (WCAG) blockers. The findings primarily included non-blocking items such as contrast adjustments and other minor compliance refinements. The response indicates that the second audit on September 30, 2025, which focused on the redesigned Outage Map and Outage List, is still under review; and that preliminary results indicate no WCAG blockers and demonstrate an overall improvement in accessibility compared to the prior experience.

Q. Regarding NYSEG and RG&E's response to I/R PULP-124, in which they stated that customers may use the automated phone system to review their balance, were you able to determine whether such balances are updated in real-time; or identify any situations in which customers may call and be provided with inaccurate or outdated balances?

A. The Companies' response to I/R PULP-148 (Exhibit ___(WDY-17) at 41) states that the balances customers receive on the phone match the balances as they appear for their accounts. It goes on to say that payments take 24-48 hours to process; so balances would not update accordingly until payments are processed. It concludes by stating that payment processing timelines are shared with customers during their IVR payment session.

Q. Regarding NYSEG and RG&E's response to I/R PULP-124, in which they state the variety of accommodations offered for customers requiring accessibility measures, were you able to identify the process by which customers can request reasonable accessibility accommodations and the average amount of time it takes for the Companies to fulfill such requests?

A. The Companies' response to I/R PULP-149 (Exhibit ___(WDY-17) at 41) reiterates their response to I/R PULP-124, indicating that NYSEG and RG&E large print invoices for both NYSEG and RG&E customers, and braille bills for RG&E customers, can be requested by phone and will be fulfilled for the next billing cycle.

Q. Regarding NYSEG and RG&E's response to I/R PULP-124, were you able to determine how many requests for reasonable accessibility accommodations were outstanding as of October 1, 2025?

A. The Companies' response to I/R PULP-150 (Exhibit ___(WDY-17) at 41) states that NYSEG and RG&E do not have any outstanding requests for reasonable accessibility accommodations related to Large Print Invoices or Braille Billing.

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose several actions that NYSEG and RG&E should take to improve access by disabled customers and customers using assistive technology, including but not limited to the following:

1. Complete fixes to all defects identified by Deque in the February and September 2025 accessibility audits within 30 days of the start of RY1;

2. Incorporating a "Skip to Main Content" link on every page of the website to ensure ease of navigation for keyboard-only users;

3. Reviewing and editing the Focus Order and Document Object Model ("DOM") order for each website page to ensure that it follows a logical sequence for keyboard-only and assistive technology users who rely on DOM structure. As of October 2025, the Focus and DOM order does not appear to follow a logical pace when using the keyboard to navigate. This does not appear to comply with WCAG 2.4.3 (Focus Order);[113]

4. I recommend that NYSEG and RG&E begin offering braille bills and that both Companies perform outreach to customers who have identified themselves as blind to ensure equitable access to these bills. PULP encounters blind customers who are low-income with low or no access to technologies that enable them to read their bills, and;

5. Customers identifying a need for a reasonable physical or digital accessibility accommodation regarding their billing but for whom the Companies fail to provide such accommodation within 30 days should have any late fees accumulated while processing their requests removed from their accounts and should be offered minimum DPAs.

Q. Should the Companies recover costs from digital accessibility audits and fixes from rate payers?

A. To the extent that NYSEG and RGE can be shown to have acted imprudently with regard to their budgets for digital accessibility, or to the extent that they have incurred consequent due to such imprudence, no, I do not think they should be permitted to recover costs from digital accessibility audits and any related fixes from ratepayers. Customers should not bear the burden of any failures to comply with digital accessibility and/or ADA guidelines. I note in this regard that the Companies have been aware of accessibility issues since at least February of 2025 and highest risk defects have likely been identified and require urgent remediation. I recommend that the Commission examine the Companies' practices relating

[113] See: *2.4.3 Focus Order (Level A)* (WCAG), March 18, 2021. Available at: https://www.wcag.com/developers/2-4-3-focus-order/

to digital accessibility so as to determine whether their actions in this area of their operations have been prudent.

Protections for Victims of Domestic Violence

Q. Do you know if NYSEG and RG&E create joint residential accounts for their customers (example, can couples have both of their names on their residential accounts)?

A. The Companies' response to I/R PULP-129 (Exhibit ___(WDY-17) at 3) states that NYSEG and RG&E do not establish joint residential accounts. Accounts are set-up under a single responsible party's name.

Q. Were you able to obtain NYSEG and RG&E training materials, internal policy documents and other relevant communications for all employees pertaining to situations in which customers indicate that they have been victims of domestic violence?

A. The Companies' response to I/R PULP-126 (Exhibit ___(WDY-15) at 196) states that NYSEG and RG&E training is provided to customer service representatives who may encounter callers experiencing domestic violence. The response indicates that this is an e-learning module administered through the Companies' Learning Management System. It then refers to Attachment 1, which can be found at Exhibit ___(WDY-16).

Q. What are your proposals for updating or improving these processes?

A. In any multi-year settlement that results from these proceedings, I propose that the Companies develop more comprehensive internal and external processes for assisting domestic violence survivors. The internal processes I recommend include:

1. Flagging accounts where a customer self-attests to surviving domestic violence or other forms of violence as "sensitive". This should also be extended to disabled individuals or other sensitivities;

2. Sampling, on a routine basis, calls conducted by CSRs on accounts labeled as "sensitive" for review to ensure sensitivity and patience on these calls;

3. Providing sensitivity training for domestic violence as well as common intersectionalities, such as disability, race, LGBTQ+ status, and gender to CSRs and customer advocates on an annual basis, and;
4. Furnishing CSRs with resources to provide survivors of domestic violence upon disclosure by such customers.

I further recommend that the following external processes, including protections for survivors of domestic violence, be adopted by the Companies:

1. Removing any late payment charges should be removed from the accounts of customers self-attesting as survivors of domestic violence, in lieu of being able to clear their accounts;
2. Offering minimum deferred payment agreements with financial statement requirements waived for those customers having had late payment charges as described above;
3. Offering bill extensions such as courtesy holds any customers self-attesting as surviving domestic violence;
4. Forgiving first default on a minimum DPAs for accounts marked as "sensitive", as discussed above, and;
5. Creating an accessible web page, including a self-attestation form, to ensure that this information is easily available for customers not comfortable disclosing their domestic violence survivor status verbally.

Walk-In Customer Service Centers

Q. Were you able to determine how many customers have visited each NYSEG and RG&E customer service center during the current rate plan?

A. The Companies' response to I/R PULP-110 (Exhibit ___(WDY-15) at 168) refers to Attachment 1 for this data (Exhibit ___(WDY-15) at 175 – 183; 185 - 193), indicating the data reflect interactions recorded by CSRs stationed at each location. The response goes on to say that, for RG&E's Sodus location, there are no transactions after 2023 Q1 because this location was no longer assigned a dedicated CSR beginning in Q2 2023. Instead, it indicates that Sodus was supported by traveling representatives from the 3CC and West Avenue offices on days the Sodus office was open to customers. The response states that from that point on, transactions conducted at Sodus during these periods were recorded under the CSR's home location (either 3CC or West Ave), which causes the data to appear skewed for Sodus, 3CC, and West Ave, as it does not reflect the actual physical location of customer interactions but rather the CSR's assigned base. It concludes by stating that therefore, while customer visits may have occurred at Sodus after Q1 2023, they are not separately captured in the transaction report.

Q. Do NYSEG and RG&E track the number of customers visiting walk-in centers who are EAP participants?

A. The Companies' response to I/R PULP-111 (Exhibit ___(WDY-15) at 168) indicates that NYSEG and RG&E do not track visitors to walk-in centers based on EAP status. The response states that customer interactions are tracked based on the specific visit reason.

Q. Do NYSEG and RG&E track the number of customers visiting walk-in centers whose accounts are coded for special protections, including EBD, Medical Emergency, and Life Saving Equipment?

A. The Companies' response to I/R PULP-112 (Exhibit ___(WDY-15) at 168 - 169) indicates that NYSEG and RG&E do not track visitors to walk-in centers based on special protections (EBD, Medical Emergency, LSE) status. As with the response to PULP-111, the response to PULP-112 states that customer interactions are tracked based on the specific visit reason.

Q. Were you able to determine the types of services provided to customers who visit NYSEG and RG&E walk-in centers?

A. The Companies' response to I/R PULP-113 (Exhibit ___(WDY-15) at 169) states that core customer service functions provided at the walk-in centers include:

1. Bill Payment Assistance:
    - Accepting payments via Kiosks and Drop box.

- Providing information on payment options and due dates.

2. Account Management:
   - Helping customers open, close, or transfer accounts.
   - Updating customer information (e.g., address, contact details).
3. Credit & Collections Support:
   - Discussing past-due balances.
   - Setting up installment plans.
   - Reviewing termination notices and reconnection procedures.
4. HEFPA-Related Services:
   - Handling medical emergency documentation.
   - Processing infant protection (infant lock) requests.
   - Assisting with HEFPA complaint procedures and protections.
5. Service Requests:
   - Initiating service orders (e.g., meter reads, service upgrades).
   - Reporting outages or service issues.
6. General Inquiries and Education:
   - Explaining rate plans, energy usage, and conservation tips.
   - Providing brochures and regulatory information (e.g., HEFPA brochure).

Q. Were you able to determine how NYSEG and RG&E plan to account for delays in processing for customers providing documents at walk-in centers related to medical certification, lifesaving equipment, and financial statements?

A. The Companies' response to I/R PULP-114 (Exhibit ___(WDY-15) at 169 - 171) states that NYSEG and RG&E have implemented several measures to account for delays in receiving critical customer documentation, particularly those related to medical certification, lifesaving equipment, and financial hardship:

- <u>Multiple Submission Channels</u>

  The response indicates that to reduce barriers and expedite processing, the Companies accept documentation through:

  - Fax
  - Email
  - Postal mail
  - Medical Portal (for physician-submitted medical certificates).
  - In-person drop-off (where applicable)

  It states that these options help ensure customers can submit documents quickly, even if traditional mail is delayed.

- <u>HEFPA-Compliant Grace Periods</u>

  The response indicates that under the Home Energy Fair Practices Act (HEFPA), the Companies must provide reasonable time for customers to submit documentation. This includes:

  - Accepting verbal confirmation from medical professionals initially.
  - Allowing time for written documentation to follow.
  - Placing a temporary hold on service termination while documentation is pending.

- <u>Proactive Outreach and Final Field Visit</u>

  The response indicates that before disconnection, the Companies conduct:

  - Multiple written and verbal notices.
  - A final field visit to collect payment or verify documentation status.

It states that this process provides additional time for customers to submit required materials and ensures that last-minute submissions are considered.

- <u>Case-by-Case Flexibility</u>

  The response indicates that CSRs are trained to work with individuals experiencing delays. They may:

  - Extend deadlines.
  - Offer Deferred Payment Agreements (DPAs).
  - Refer customers to assistance programs like EAP or HEAP.

- <u>Encouragement to Communicate Early</u>

  The response indicates that customers are encouraged to contact the Companies as soon as they anticipate a delay. Early communication allows for tailored support and avoids unnecessary service interruptions.

The response concludes by indicating that it is important to note that enrollment in the Life-Sustaining Equipment (LSE) program is contingent upon customers returning completed surveys, which must be filled out by both customers and their physicians within 30 calendar days. It states that during this period, a 30-day dunning hold is placed on the customer accounts. Any delays in enrollment are solely dependent on how quickly customers submit required documentation; and that the program enrollment itself does not involve additional processing delays.

Q. Were you able to determine the reasons why NYSEG and RG&E customers visit the walk-in centers?

A. The Companies' response to I/R PULP-115 (Exhibit ___(WDY-15) at 171) states that as noted in the response to Question 111, NYSEG and RG&E track customer interactions based on the reason for the visit. It then refers again to Attachment 1 (Exhibit ___(WDY-15) at 175 – 183; 185 - 193), which I used to summarize the reasons why the Companies' customers visited the walk-in centers by transaction type. These summaries can be found at (Exhibit ___(WDY-15), 184 and 194)

Q. Have NYSEG and RG&E organized any customer open houses or events in their walk-in centers in the past? If so, were you able to determine the number of events and the themes from 2023 - 2025?

A. The Companies' response to I/R PULP-116 (Exhibit ___(WDY-15) at 171 - 172) did not answer this question in terms of events that were held at walk-in centers. Instead, it stated that the Companies have engaged in ongoing outreach efforts to support customer education and community engagement during the current rate plan period. The response indicated NYSEG and RG&E have hosted a series of events focused on Advanced Metering Infrastructure (AMI) and broader community connections. It provided a table showing that in 2023, 41 events were held (11 AMI related; 30 broader community connections related). The table reflected 35 events in 2024 (16 AMI related; 19 broader community connections related). For year-to-date 2025, it indicated 25 events (12 AMI related; 13 broader community connections related).

Q. Do NYSEG and RG&E advertise their walk-in centers, including hours of operation, with entities such as DSS or community-based organizations?

A. The Companies' response to I/R PULP-117 (Exhibit ___(WDY-15) at 172 - 173) states that yes, NYSEG and RG&E regularly collaborate with county DSS offices and community-based organizations to ensure customers are aware of available support services, including walk-in office (WIO) locations and hours of operation. It indicates that:

- The Customer Advocate group provides outreach and educational materials to DSS and community partners. These materials include:
  - Customer service contact numbers;
  - Hours of operation for active WIOs, and;
  - Program eligibility information (e.g., EAP, HEAP, medical protections).
- DSS has access to a dedicated phone line for direct contact with the Companies' low-income team, as well as access to a web portal that enables immediate customer assistance.

- While no formal open houses or advocate-level events were sponsored during the current rate years, the Companies respond to requests from DSS and community organizations by providing relevant WIO information and support materials.

Q. Were you able to determine the annual operating and maintenance costs for each customer service center proposed for closure, including any of those attributable to labor, property taxes, and utilities/contracted services?

A. The Companies' response to I/R PULP-118 (Exhibit ___(WDY-15) at 173 - 174) states that NYSEG and RG&E are proposing to close the following customer service centers:

- NYSEG: Oneonta, Auburn, and Ithaca
- RG&E: 3CC and Sodus

It goes on to say that, as these facilities are used by other business areas, the Companies are only able to provide facilities and maintenance cost data related to building-wide maintenance; that there is no delineation of costs specific to the customer service center portion of each building; and that other operating costs such as property taxes and utilities are not tracked separately for the customer service areas. Rather, it says, these costs are bundled within broader building or departmental expenses—indicating, for example, that utilities are not separately metered for the customer service areas.

The response also provides a table of data summarizing the maintenance costs for the service centers in which the walk-in offices are located. The total of these costs for the offices NYSEG and RG&E have proposed for closure is approximately $773,000. It also includes a separate table breaking out costs for contracted services, miscellaneous supplies, and labor expenses at each of these locations, noting that labor costs reflect the average hourly wage for the relevant job titles applied to hours worked at each center to generate an approximate annual labor cost.

Q. Do NYSEG and RG&E anticipate any major projects or maintenance needs should these centers be kept open?

A. The Companies' response to I/R PULP-119 (Exhibit ___(WDY-15) at 174) states that the only pending capital projects at these locations are related to security enhancements for the customer service areas. It indicates that these projects are currently unplanned but would be considered for any centers that remained open, identifying anticipated updates that include:

- Oneonta – No planned updates;
- Auburn – Install frosted plexiglass barrier at all customer service representative (CSR) windows from top of window to ceiling (no cost estimate available);
- Ithaca – Install frosted plexiglass barrier at all CSR windows from top of window to ceiling (no cost estimate available);
- 3CC – Install security film on exterior windows to protect and shield CS employees (estimated cost: $4,379.00);
- Sodus –
  - Install frosted plexiglass above CSR windows to prevent climbing or throwing objects;
  - Add security film to main glass doors to prevent shattering and obscure visibility during closed hours;
  - Install security film on exterior windows where customers may attempt to interact with or observe employees, and;
  - Estimated total cost: $15,428.00.

The response concludes by stating that these updates are intended to enhance employee safety and customer interaction security.

Q. What are your recommendations regarding NYSEG and RG&E's proposals for closing customer walk-in centers?

A. In any multi-year settlement that results from these proceedings, I propose the Companies not close customer walk-in centers without undertaking additional initiatives that would safeguard the accessibility and affordability interests of the most vulnerable of their customers who currently depend on these centers for maintaining utility service. Many such customers living in areas that would be affected by the proposed closures, and who do not have access to online banking services or internet access, would be prevented from conducting business (paying bills in cash, setting up DPAs) in the face-to-face manner to which they are accustomed. Seniors and low-income consumers could be particularly harmed.

In the 2019 and 2022 cases, I observed that the Companies' walk-in offices were resources for customers who either needed to, or were encouraged to, have in-person meetings with Company representative to take care of account issues other than routine payments. For, example, the Companies' collections procedures at that time indicated that the requirements for renewal of account medical protection pursuant to NYCRR § 11.5, which includes a completed FSF with documentation demonstrating the inability to pay the utility bill, is a detailed undertaking that customers may want to handle in-person with a customer service representative at a walk-in office. Other situations I noted in which customers used walk-in offices for purposes of providing documentation include account initiation, disputes about account responsibility, and estates providing documentation that a customer has died.[114]

I continue to believe that, for the Companies' most vulnerable customers, qualitative customer care considerations must take priority over strictly transaction-based cost-benefit decision making. Here, it is worth repeating the public's interest in the continuity of utility service for all residential customers is elucidated in the 1982 Home Energy Fair Practices Act, or "HEFPA", which states:

> It is hereby declared to be the policy of this state that the continued provision of all or any part of such gas, electric and steam service to all residential customers without unreasonable qualifications or lengthy delays is necessary for the preservation of the health and general welfare and is in the public interest.[115]

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[114] *Testimony of William D. Yates, CPA, for the Public Utility Law Project, Inc.*, Cases 19-E-0378 et al., at 39 – 45. Available at: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={C5676168-B035-4FD3-9DA2-07CD3E6A92DA}.

[115] PSL Article 2 §30.

It is entirely possible that, since 2019, technology may have evolved, and the Companies' collections policies and procedures *are capable of evolving*, sufficiently to address some of the concerns I have previously raised about the potential negative impact on vulnerable customers of walk-in office closures. Accordingly, I would view the acceptance my customer service proposals involving DPAs, extensions for payments, coding for medical emergencies and life sustaining equipment, language access, coding of EBD customers, customers seeking assistance from DSS, service terminations, cold weather and extreme heat protections, digital accessibility for customers, and protections for victims of domestic violence, as mitigating some of the potentially negative consequences of office closures on vulnerable customers in the Companies' service areas. I would also view an overall initiative by NYSEG and RG&E to conduct outreach education to the affected populations for at least two-months prior to the closures as a positive.

However, even if such efforts are undertaken, it would still be the case that some of the Companies' vulnerable customers who are seniors, low income and/or otherwise less able to take advantage of new information and communications technologies (whether due to age, lack of financial resources to pay for access to these technologies, infirmity, language barriers or other reasons) that would disproportionately affected by their inability to access service centers which they currently rely upon for their customer care needs. Many such customers have difficulty enough paying their utility bills and do not have access to, or proficiency with, computers, the internet, smart phones, or other technologies upon which they would be required to rely to take care of all their customer care needs.

As an additional consideration for accepting the proposed office closures, I therefore recommend that the Companies agree to be available for meetings, on a case-by-case basis, with their most vulnerable customers in all the representative geographical areas of their services territories; in particular in economically disadvantaged areas, so that customer services other than acceptance of routine payments can be effectuated. These meetings could be held at Company properties, county DSS offices, or other agreed-upon locations. Such customers would include those without the ability to travel to access one of the remaining physical offices – whether due to lack or cost of transportation or disabilities or other significant impediments of any kind.

Problems with Landlord Accounts and Multiple Dwellings

Q. Are you aware of any specific examples of tenants of multiple dwelling apartment buildings/complexes losing, or being at risk of losing, their utilities because their landlords did not pay for service rendered by the Companies?

A. Yes. In early September, NYSEG notified tenants of Hathorne Redevelopment Company's property at 346 Woodlawn Avenue in Elmira ("Woodlawn Court") that it intended to terminate their utility service on September 23, 2025. Woodlawn Court is a property having over 200 apartments, many occupied by low-income tenants, including several with special medical needs that require electric service. This most recent notice follows an actual service termination at the property on October 31, 2024 that lasted a day and a half.[116]

Q. Were you able to determine how NYSEG and RG&E track the accounts of multiple dwellings where the account holder is a landlord?

A. The Companies' response to I/R PULP-70 (Exhibit ___(WDY-15) at 103) states that the Companies' credit and collection process is automated within the SAP system. This includes generating notifications to tenants, local health officers, directors of DSS, city or village mayors or town supervisors, and county executives, depending on location.

It goes on to say that posting of these dwellings is scheduled by the Companies' Field Departments; that internal teams are notified when the Companies are aware of any potential health or safety risks associated with the tenants at the identified location; and that these additional notifications enable tenants and public officials to collaborate with the Companies on arrangements that may help avoid service disconnections.

Q. Were you able to determine the number of NYSEG and RG&E multiple dwelling accounts; the total amount of arrears for these accounts; and the number of disconnection notices sent to multiple dwelling accounts in arrears?

A. The Companies' response to I/R PULP-71 (Exhibit ___(WDY-15) at 103 - 104) states that as of July 2025, the number of accounts identified as multiple dwellings in the SAP system

[116] See: *Woodlawn Court Residents Demand Answers on NYSEG Bills*, WENY News, September 10, 2025. Available at: https://www.weny.com/story/53075314/woodlawn-court-residents-demand-answers-on-nyseg-bills.

is 62,905 for NYSEG and 13,625 for RG&E, and that these accounts have been flagged with the multiple dwelling identifier within the Companies' SAP database. The response goes on to say that the total arrears associated with these multiple dwellings as of July 2025 was $7,349,213 for NYSEG and $1,418,902 for RG&E. It concludes by indicating that NYSEG issued 5,939 termination notices to multiple dwelling accounts in arrears as of July 2025, while RG&E issued 890 termination notices to its multiple dwelling accounts in arrears for the month.

Q. Do NYSEG and RG&E search for landlord contact information and/or housing authorities when account-holding landlords are non-responsive? If so, what are the efforts the Companies undertake and on what timeline?

A. The Companies' response to I/R PULP-72 (Exhibit ___(WDY-15) at 104) states that, on a case-by-case basis, NYSEG and RG&E may employ additional tools to obtain landlord contact information. The response indicates that, initially, the Companies review their Customer Relationship Management & Billing Cost (CRMB) to identify any other accounts associated with unresponsive landlords. It states that as a supplementary measure, NYSEG and RG&E may consult the "Image Mate Online" website for the relevant counties, noting that for counties provides public access, this platform can be used to search for landlord details but that public access is not available in all counties. The response concludes by stating that the Companies have no standardized timeline for these steps, as the process may vary depending on the specifics of each account.

Q. Were you able to determine if NYSEG and RG&E have other ways to track landlords/management companies who are multiple dwelling account holders?

A. The Companies' response to I/R PULP-73 (Exhibit ___(WDY-15) at 104) states that NYSEG and RG&E do not maintain a centralized tracking system for landlords who are account holders with NYSEG or RG&E, but that this information can be queried from the Companies' SAP systems as needed.

Q. How many NYSEG and RG&E multi-dwelling accounts currently have late fees and/or termination notices?

A. The Companies' response to I/R PULP-74 (Exhibit ___(WDY-15) at 104) states that as of July 2025, there were 758 RG&E accounts and 3,829 NYSEG accounts that reflect either current late fees and/or active termination notices.

Q. How many NYSEG and RG&E multi-dwelling accounts are currently in arrears by 60 days or more?

A. The Companies' response to I/R PULP-75 (Exhibit ___(WDY-15) at 104) states that as of July 2025, there were NYSEG 1,458 accounts in arrears by 60 days or more and 318 RG&E accounts in arrears by 60 days or more.

Q. Were you able to determine the total amount of late fees on NYSEG and RG&E multi-dwelling accounts?

A. The Companies' response to I/R PULP-77 (Exhibit ___(WDY-15) at 104) states that for July 2025 the total amount of NYSEG lates fees for multiple dwelling accounts was $66,114.14 and for RG&E such late fees were $17,698.39.

Q. Do you know how many monthly termination notices have been issued thus far in 2025 to multiple dwelling NYSEG and RG&E accounts?

A. The Companies' response to I/R PULP-78 (Exhibit ___(WDY-15) at 104 - 105) provides a table by month indicating that, cumulatively, about 60,000 NYSEG and 8,000 RG&E termination notices have been sent to multiple dwelling accounts through August 2025.

Q. Do you know how many monthly service terminations have been conducted thus far in 2025 to multiple dwelling NYSEG and RG&E accounts?

A. The Companies' response to I/R PULP-79 (Exhibit ___(WDY-15) at 105) provides a table by month indicating that, cumulatively, about 350 NYSEG and 34 RG&E service terminations of multiple dwelling accounts have been conducted through August 2025.

Q. Were you able to obtain copies of a NYSEG disconnection notice and an RG&E disconnection notice to tenants residing in buildings where their landlords' accounts are at risk of service termination for nonpayment?

A. Yes. The Companies' response to I/R PULP-80 (Exhibit ___(WDY-15) at 105) states refers to Attachments 1 and 2 (Exhibit ___(WDY-15) at 106 - 107), with customer information redacted, as sample disconnection notices issued to tenants residing in such buildings where the landlord accounts are at risk of service termination due to nonpayment.

Q. Do you have concerns about customers residing in residences where landlords control the utility accounts?

A. Yes. In these situations, landlords are the utility account holders of record; not the tenants. Because of this, tenants face significant challenges in their efforts to understand the utility account status of the units in which they reside (let alone to prevent service termination to their own residences). First and foremost, utilities owe confidentiality to landlord account holders. They cannot disclose arrears, shutoff timelines, or the existence or status of payment plans to tenants. Neither can tenants negotiate directly with the utilities or access public assistance to pay landlord utility bills (e.g., they cannot access programs like HEAP to restore or maintain service for accounts that are not in their own name). Often, tenants cannot even file formal complaints with DPS addressing their situation—because they are not the account holders. Instead, such complaints are typically rejected or delayed, leaving tenants powerless in situations where shutoffs have been threatened, are pending, or have occurred. Needless to say, these circumstances are impacting low-income households, seniors, and medically vulnerable residents disproportionately.

A case in point is the aforementioned October 31, 2024 NYSEG service termination at Woodlawn Court, also known as Hathorn Court, located in Elmira, New York. On that day, Legal Assistance of Western New York ("LAWNY") [117] contacted PULP explaining that they received calls from tenants residing at Woodlawn Court, which includes several metered buildings and associated accounts. Residents of the development are low-income households whose rents (which includes their utilities) are based on their incomes; as such, the development receives federal low-income tax credits. Many of the households residing at Woodlawn Court are families with children, elderly individuals, or individuals with disabilities. News reports cited above indicated that some residents were users of medical

[117] See: *Legal Assistance of Western New York, Inc. ("LAWNY")*. Available at: https://www.lawny.org/.

equipment such as oxygen concentrators requiring electricity to be operated. They also reported that the landlord/property manager owed approximately $750,000 in unpaid NYSEG bills.

Q. What are your proposals for updating or improving these processes?

A. Due to the sheer number of landlord accounts behind on their payments and at risk for service termination, together the associated potential uncollectibles, these issues are of acute concern and therefore should be addressed in any multi-year settlement that results from these proceedings. Accordingly, I have three recommendations addressing arrears and preventing disconnections associated with landlord accounts. First, I propose that the Companies increase efforts to locate landlords in these situations, many of whom may be absentee. In such situations, landlords that have neglected to pay their NYSEG/RG&E bills may be attempting to unlawfully evict tenants by making residences uninhabitable. The Companies could use resources such as the E-COURTs search engine through the NYS Unified Court System or other public resources to locate landlords prior to notifying tenants that their building is at risk of service termination. When using E-COURTS, the Companies could determine whether such landlords have attorneys and attempt to contact attorneys to provide notice of impending shut-off.

My second recommendation is to increase targeted outreach to the tenants themselves residing in multiple dwelling buildings facing the possibility of service termination. To begin, the Companies should determine whether such buildings have Tenants' Associations ("TAs"). Where they do, NYSEG and RG&E should contact the TAs to provide detailed information well ahead of any Company action to terminate utility service. They should then update TAs throughout the collections process.

The Companies should also conduct direct outreach to affected tenants, whether or not TAs exist. At the very least, the Companies should make efforts to distribute flyers outside building entrances and, where there is access, going door-to-door to individual units to provide notice. This could be especially helpful in situations involving less than three units, in which case tenants can pay the utility directly and then offset their rent in the amount of such payments. It would also be helpful in the frequent, yet far more difficult, circumstances in which there are three or more units, and tenants are left with the vague and perplexing remedy of forming TAs in order to make group utility bill payments. In my experience, PULP has never observed groups of tenants being able to manage situations like these due to various factors such as: lack of time for, and coordination amongst, tenants; mistrust between all parties (tenants, landlords, and utilities); and a lack of formal legal protections for tenant associations assuming payments.

Finally, I recommend that the Companies notify elected officials representing the districts associated with multiple dwelling buildings at risk of service termination, including local level elected officials such as city or other municipal councils, counties, and district offices of State assembly members and senators. As with enhanced notice to landlords, such outreach should be conducted and completed prior to the Companies timeline to issue official notice to tenants that their buildings are at risk of service termination.

Conclusion

Q. Does this conclude your testimony?

A. Yes.