CASE 26-M-0035 - In the Matter of Utility Customer Service Performance for 2025.

2025 UTILITY CUSTOMER SERVICE PERFORMANCE REPORT

Office of Consumer Services

July 2026

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STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

CASE 26-M-0035 – In the Matter of Utility Customer Service Performance for 2025.

2025 Utility Customer Service Performance Report

INTRODUCTION

This report summarizes the New York State electric, gas, and water utilities' customer service performance for calendar year 2025. This report addresses the performance of the following utilities, collectively referred to as the "Utilities:" Central Hudson Gas and Electric Corporation (Central Hudson); Consolidated Edison Company of New York, Inc. (Con Edison); Corning Natural Gas Corporation (Corning); KeySpan Gas East Corporation d/b/a National Grid (KEDLI); The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY); Liberty Utilities (New York Water) Corporation (Liberty Water); Liberty Utilities (St. Lawrence Gas) Corporation (Liberty SLG); National Fuel Gas Distribution Corporation (NFG); Niagara Mohawk Power Corporation d/b/a National Grid (NMPC); New York State Electric & Gas Corporation (NYSEG); Rochester Gas and Electric Corporation (RG&E); Orange and Rockland Utilities, Inc. (O&R); and Veolia Water New York Inc. (Veolia).[1] Each utility submits performance reports for the prior year, including any positive revenue adjustments (PRAs) or

[1] PSEG Long Island (PSEG LI) is the service provider for the Long Island Power Authority (LIPA). LIPA and PSEG LI are largely excluded from Public Service Commission (PSC) jurisdiction pursuant to Public Authorities Law (PAL) §1020-s, however, LIPA and PSEG LI are subject to review by the Department of Public Service pursuant to Public Service Law §3-b. LIPA and PSEG LI also comply with the Home Energy Fair Practices Act (PSL Article 2) and other applicable regulations pursuant to PAL §1020-cc and their Operations Services Agreement, §4.2(A)(3)(e). While PSEG LI is not subject to the Commission's orders regarding customer performance metrics, this report provides PSEG LI's performance data for calendar year 2025.

negative revenue adjustments (NRAs) the utility incurs based on measures that are negotiated in individual utility rate proceedings.[2]

In addition to the required annual Customer Service Performance Indicator (CSPI) reports, a subset of utilities file monthly CSPI reports,[3] which staff of the Department of Public Service (Staff) uses to track and monitor a utility's progress and performance on various metrics throughout the calendar year.[4] Reporting commenced in April 1992, when the Public Service Commission (PSC) directed the major electric and gas utilities with greater than 25,000 customers to compile and file monthly CSPI reports that detail a series of standardized measures of customer service performance.[5] The CSPI reports have allowed Staff to review and analyze trends in customer service performance among the Utilities year over year. This comparative analysis aids in designing and adjusting customer service performance mechanisms in utility-specific rate case proceedings. To incentivize better customer service performance by the Utilities, these mechanisms utilize potential NRAs. The PSC-adopted rate plans for each utility specify the metrics against which the utility's performance will be assessed, the thresholds at which the utility would incur an NRA, and the accounting treatment for any incurred NRAs. Generally, a utility defers an NRA until that utility files its next rate case. These NRAs are regulatory liabilities that the PSC can use to offset a portion of the utility's revenue requirement during some future period for the benefit of customers.

Staff's audit findings show that Con Edison, Corning, Liberty Water, NFG, O&R, and Veolia satisfactorily met their respective standard levels of customer service performance for calendar year 2025. Figure 1, below, illustrates performance targets, actual performance, and

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2 See, e.g., Case 23-G-0627, NFG – Rates, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan with Minor Modifications (issued December 19, 2024), pp. 72-75, (noting that annual performance metrics, including potential NRAs became effective for NFG beginning in January 2025).

3 Case 15-M-0566, In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations, Order Adopting Revisions to Customer Service Reporting Metrics (issued August 4, 2017) (Metrics Order), p. 2. The utilities that submit monthly CSPI reports are: Central Hudson, Con Edison, KEDLI, KEDNY, NMPC, NFG, NYSEG, O&R, and RG&E.

4 Metrics Order, p. 21.

5 Case 91-M-0500, Customer Service Standards Applicable to Gas, Electric, Water and Steam Corporations, Order Directing Utilities to Supply Service Data (issued January 16, 1992).

incurred NRAs for the remaining utilities, Central Hudson, Liberty SLG, KEDLI, KEDNY, NMPC, NYSEG, and RG&E.

Utility	Metric	Target	Actual Performance	NRA Amount
Central Hudson	Customer Satisfaction Index	89.0 percent	74.7 percent	15 basis points (bps)
	PSC Complaint Rate	1.0	1.43	15 bps
	Call Answer Rate	67 percent	63.43 percent	4 bps
	Central Hudson NRA Total			34 bps ($4.70 million)
Liberty SLG	Customer Satisfaction Survey	86.1 percent	86.0 percent	5 bps
	Liberty SLG NRA Total			5 bps ($38,744)
KEDLI	Call Answer Rate	62.2 percent	60.8 percent	5 bps
	KEDLI NRA Total			5 bps ($1.72 million)
KEDNY	Call Answer Rate	60.6 percent	55.4 percent	10 bps
	KEDNY NRA Total			10 bps ($5.31 million)
NMPC	Small/Medium C&I Customer Satisfaction Survey	78.0 percent	69.9 percent	12 bps
	Residential Customer Satisfaction Survey	82.0 percent	76.2 percent	12 bps
	Call Answer Rate	79.2 percent	58.1 percent	12 bps
	NMPC NRA Total			36 bps ($16.97 million)
NYSEG	Customer Satisfaction Survey	89.5 percent	85.6 percent	19 bps
	NYSEG NRA Total			38 bps ($13.3 million)
RG&E	Customer Satisfaction Survey	88.0 percent	84.1 percent	19 bps
	RG&E NRA Total			38 bps ($8.06 million)
NY Utilities' Total Assessed NRA Amounts for 2025				**$50.1 million**

Figure 1 – 2025 Targets and Performances for Utilities that Incurred NRAs

Specifically for NYSEG and RG&E, the Order Adopting Joint Proposal, issued October 12, 2023, in Cases 22-E-0317 et al., states that when either utility incurs an NRA for failing to meet any of their respective customer service metric performance targets for two or more consecutive calendar years, then the assessed NRA for that individual metric is doubled in the second consecutive year.[6] Since NYSEG and RG&E failed to meet their Customer Satisfaction Survey targets in 2024,[7] any assessed NRAs for this metric in 2025 is doubled.

STAFF REVIEW PROCESS

Because utilities are monopoly delivery service providers, they have little direct financial pressure to provide quality customer service. Consequently, Staff performs a variety of activities throughout the year to monitor the quality of customer service provided by the Utilities and to help ensure the fair and appropriate treatment of utility customers. Staff's annual audits ensure the accuracy of the Utilities' reported data and uncover any potential shortcomings or improvements that should be addressed in utility processes or procedures. These audits also confirm whether an NRA for poor customer service quality should be assessed to a utility, and, if so, that the corresponding value aligns with the guidelines established within the Utilities' individual rate cases.

Staff has audited the reported data for customer service performance measures for calendar year 2025 submitted by Central Hudson, Con Edison, Corning, KEDLI, KEDNY, NFG, NMPC, NYSEG, Liberty Water, O&R, RG&E, Liberty SLG, and Veolia, through correspondence with the utilities and multiple interrogatories (IRs) for detailed information regarding performance measures, replication of the data, and verification of the calculations for calendar year 2025 utility performance. As a result of this audit, Staff makes 14 recommendations, which are detailed throughout this report and compiled in Appendix A.

As part of Staff's review, Staff evaluated the Utilities' internal procedures for the reporting of these metrics to the PSC.[8] Staff found the Utilities have standard operating procedures in place that adequately fulfil their reporting requirements. However, Staff's review

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[6] Cases 22-E-0317 et al., NYSEG and RG&E – Electric and Gas Rates, Order Adopting Joint Proposal (issued October 12, 2023), p. 68.

[7] Cases 22-E-0317 et al., supra, NYSEG-RGE 2024 Service Quality Measure Filing NRA-PRA Report - Cover Letter (filed February 21, 2025), p. 1.

[8] Responses to interrogatories DPS-10, DPS-28, DPS-46, DPS-64, DPS-82, DPS-DPS-100, DPS-118, DPS-136, DPS-154, DPS-172, and DPS-190.

demonstrated some utilities, such as Central Hudson, lacked a system of checks and balances for internal redundancy regarding the reporting of information and only relied on a single employee. To ensure the validity and accuracy of all reported information, we recommend all utilities develop a procedure to confirm the data they provide in their filed reports is correct, such as utilizing multiple personnel to cross-check the submitted data if they have not already done so.[9] Staff's audit also revealed that O&R reports both New York and New Jersey customers as a single population when submitting data for its CSPI reports. Staff recommends O&R break out New York customer data and report only this information in the monthly and annual CSPI reports going forward. If O&R cannot do so, Staff recommends the Company investigate methods, potentially in the form of additional granular reporting or modifications to its computer information systems, to only report New York customers in its future CSPI metric filings.[10]

2025 CUSTOMER SERVICE PERFORMANCE

The following sections describe each utility's customer service performance mechanisms' annual performance for calendar year 2025 and incurred NRAs. Appendix B to this report presents a breakdown of the service quality metrics effective at each of the Utilities and their respective applicable PRAs and/or NRAs.

In recent years, the PSC has adopted rate plans for several of the Utilities in which the PSC reformatted the values of PRAs and NRAs associated with customer service performance mechanisms from fixed dollar amounts to basis point values, which are equivalent to a change of one-hundredth of one percent of the equity portion of a given utility's rate base.[11] Beginning in 2024 and continuing through 2025, all utilities subject to NRA mechanisms associated with their customer service performance have utilized basis points to determine customer service-related NRA values. Connecting customer service performance mechanisms to

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9 Staff Recommendation No. 1.

10 Staff Recommendation No. 2.

11 A basis point is equivalent to one hundredth of one percent of the equity portion of a utility's rate base grossed up for income taxes and a retention factor for various revenue-based costs included in a utility's revenue requirement (e.g., revenue taxes and uncollectibles). The equity portion of a utility's rate base is calculated by multiplying the utility's rate base by its equity ratio.

basis point values allows for the corresponding incentive amounts to change over time, rather than remaining at a fixed dollar value. Therefore, the dollar value of basis points varies year over year according to the relative size and characteristics of each utility.

NYSEG and RG&E filed a petition with the PSC requesting waiver of the NRAs the companies incurred for their 2025 Customer Satisfaction Survey metric performance.[12] In this Waiver Petition, NYSEG and RG&E attributed their underperformance on the Customer Satisfaction Survey metrics to external influences, such as economic conditions, storm severity, and post-COVID recovery.[13] NYSEG and RG&E also claimed supply costs drive customer dissatisfaction and argued energy utilities are inherently scored lower than "luxury or discretionary services."[14] For this reason, NYSEG and RG&E argue in favor of categorizing neutral responses as satisfied for the purposes of calculating customer satisfaction scores.[15] Although this calculation method is not consistent with the process specified in the applicable rate plan,[16] NYSEG and RG&E assert that this hypothetical implementation would increase their respective customer satisfaction performances to approximately 89.5 percent and 88.6 percent.[17] This Petition is pending before the PSC for consideration.

PSC Complaint Rate

PSC Complaint Rates are not self-reported by the Utilities. The Department of Public Service (Department) enters complaints received on behalf of the PSC into the Quick Resolution System (QRS). If a utility is unable to adequately address a customer's initial QRS complaint, the Department escalates the QRS complaint to a Standard Resolution System (SRS) complaint. Staff uses these escalated SRS complaints to determine each utility's PSC Complaint Rate based on the number of SRS complaints per 100,000 customers. However, the

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[12] Cases 22-E-0317 et al., supra, NYSEG-RGE CS Performance Metric Waiver Letter (filed February 20, 2026) (Waiver Petition).

[13] Waiver Petition, pp. 2-3.

[14] Waiver Petition, p. 4.

[15] Waiver Petition, p. 4.

[16] Cases 22-E-0317 et al., supra, Order Adopting Joint Proposal (issued October 13, 2023), Attachment 1 (Joint Proposal), Appendix P, p. 3.

[17] Waiver Petition, p. 4.

methodology for assessing complaints at utilities serving customer populations less than 100,000 can depart from this standard. For example, for Corning, the PSC approved a target of three SRS complaints per calendar year rather than a rate based on the number of customers.[18]

Central Hudson's PSC Complaint Rate was 1.68 compared to a target of 1.0 or less, which resulted in the utility incurring an NRA of 15 basis points for calendar year 2025. Central Hudson also incurred an NRA for poor performance on this metric in calendar year 2024, reaching a rate of 3.03 against a target of 1.0 or less. While further improvement is still needed, Central Hudson has been steadily improving its performance on this metric year-over-year since 2023 when it reached a high of 8.5.

As shown in Figure 2, with the exception of Central Hudson, all other New York utilities met the designated target levels under their respective PSC Complaint Rate metrics and have not incurred any NRAs for this metric in 2025.

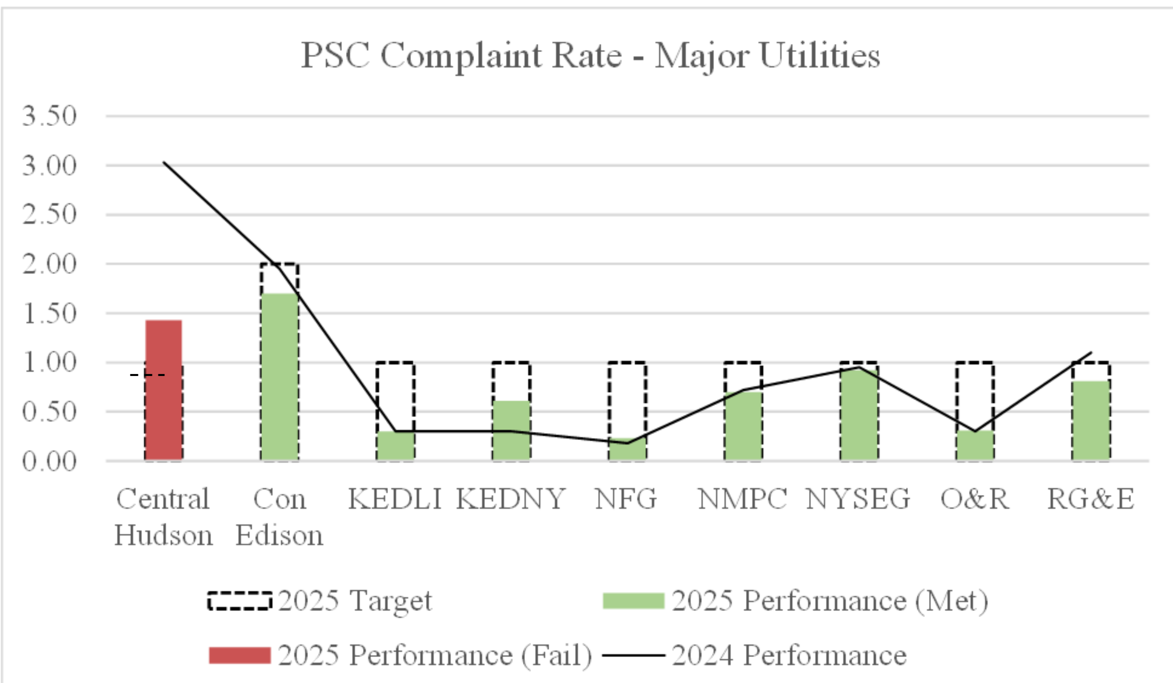

Figure 2 – PSC Complaint Rate: Major Electric and Gas Utilities

[18] Cases 21-G-0260 et al., Corning – Gas Rates, Order Adopting Terms of Joint Proposal, Establishing Rate Plan and Approving Merger (issued June 16, 2022), p. 38.

Figure 3, below, shows the performance for Corning, Liberty SLG, Liberty Water, and Veolia, all of which met their respective Complaint Metric targets for calendar year 2025.

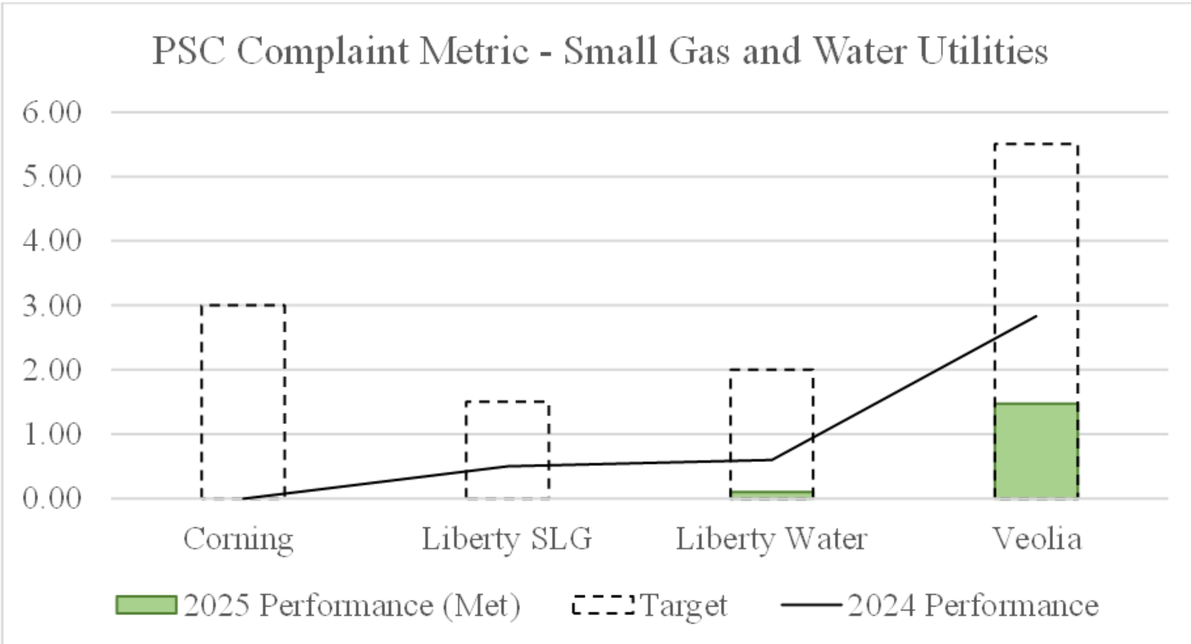

Figure 3 – PSC Complaint Rate: Small Gas and Water Utilities

Customer Satisfaction Survey

Each utility conducts a customer satisfaction survey(s) that is administered by a third-party contracted vendor. The PSC establishes customer satisfaction targets in each utility's respective rate plan. Performance results and corresponding targets for calendar year 2025 are shown in Figure 4, below. Since the PSC adopted the Pilot Statewide Customer Satisfaction Survey for use as Con Edison's Customer Satisfaction Surveys,[19] Con Edison's performance is scored and calculated differently than that of the other utilities, and so Con Edison's performance is not shown in Figure 4. In calendar year 2025, Central Hudson, Liberty SLG, NMPC, NYSEG, and RG&E failed to meet their respective Customer Satisfaction Survey targets.

[19] Cases 22-E-0064 et al., Con Edison – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, pp. 4-5.

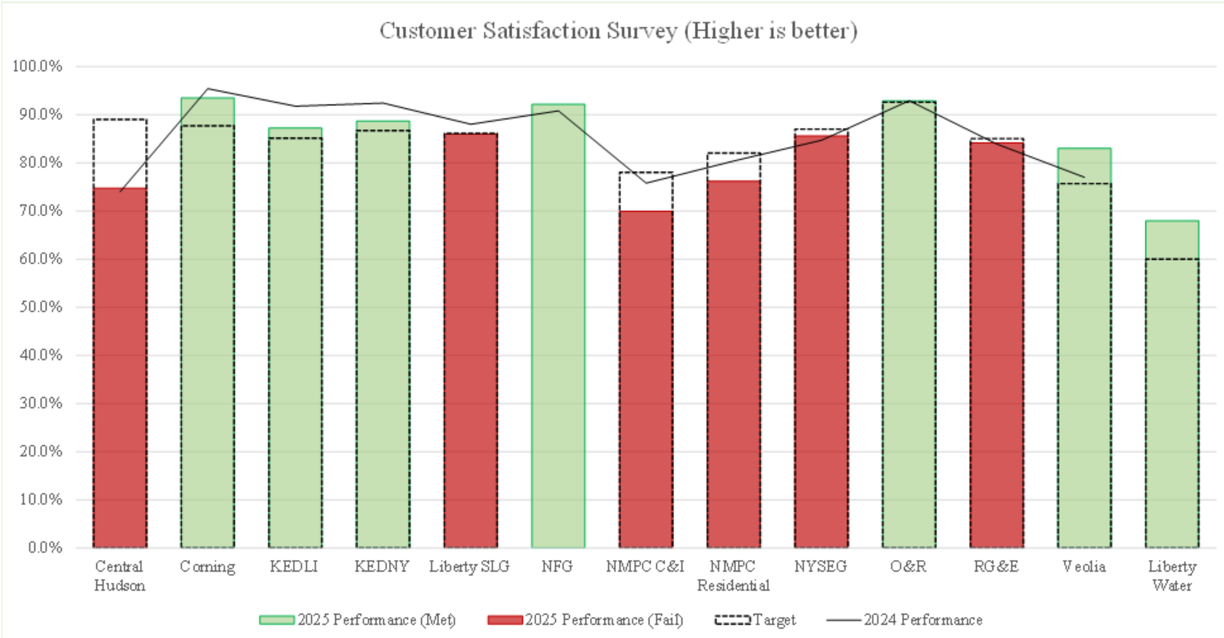

Figure 4 – Customer Satisfaction Survey

Central Hudson's 2025 Customer Satisfaction Survey performance of 74.7 percent did not meet the minimum target of 89.0 percent, resulting in Central Hudson incurring an NRA of 15 basis points. Central Hudson's current survey is straightforward and consists of eight questions designed to measure key aspects of customer interactions to better pinpoint where improvement is required. The annual CSI report states Central Hudson will continue to improve the accuracy and timeliness of bills, increase customer satisfaction regarding meter reading, reduce estimated meter reads, and increase staffing in its call center to handle calls related to collections,[20] all of which may affect customers' scores for the Customer Satisfaction Survey. One area Central Hudson has made improvements in is the translation, dissemination, and scoring of surveys sent to Spanish speaking customers. Given that materials, such as bills and customer rights and responsibilities, are translated into the top 12 languages spoken in a utility's service territory, surveying these customers to obtain feedback on their interactions with the utility and the quality of the translations is important. Therefore, we recommend that the

20 Case 24-E-0461 and 24-G-0462, Central Hudson – Electric and Gas Rates, 2025 Annual Customer Satisfaction Index (CSI) Reporting Case 24-E-0461 and 24-G-0462 (filed February 17, 2026), p. 5.

Utilities investigate and put forth proposals that would incorporate translated customer satisfaction surveys into the Customer Satisfaction Survey metric if they do not already do so.[21]

Liberty SLG's 2025 Customer Satisfaction Survey performance of 86.0 percent, did not meet the minimum target of 86.1 percent, resulting in Liberty SLG incurring an NRA of five basis points.[22] Liberty SLG primarily attributed dissatisfied customer survey scores to costs or billing issues.[23] Liberty SLG stated that the important areas to focus to improve satisfaction are billing accuracy, billing language/customer confusion on bills, and customer service.[24]

The PSC determined that Liberty Water was unable to establish the transaction-based survey at the start of its currently effective rate plan, and so directed Liberty Water to conduct a transaction-based Customer Satisfaction Survey via email on a temporary basis for a limited pilot period.[25] The Liberty Survey Order provided that Liberty Water would reply on the Customer Satisfaction Survey results as of January 1, 2025, and established minimum target levels and associated NRAs for Rate Years one through three.[26] For 2025, the PSC decided that Liberty Water would not be assessed any NRAs if the Company was unable to meet the minimum performance level.[27] Rather, associated NRAs for failing to meet the minimum target level for the Customer Satisfaction Survey would commence beginning in Rate Year Two. Liberty Water 2025 Customer Satisfaction Survey performance of 68 percent is above the 66 percent minimum target threshold, resulting in no NRAs being incurred.

Liberty Water is the second utility in New York to transition to an email-based Customer Satisfaction Survey for the PSC-approved CSPI metric. Staff has observed a correlation between survey response participation and the use of this email-based survey, with

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[21] Staff Recommendation No. 3.

[22] Case 24-G-0668, Liberty SLG – Gas Rates, Customer Service Performance Indicators (CSPI) through December 31, 2025 (filed January 30, 2026), pp. 2-3.

[23] Liberty SLG Response to DPS-154 Attachment 2.

[24] Liberty SLG Response to DPS-154 Attachment 2.

[25] Case 23-W-0235, Liberty Water – Rates, Order Authorizing Transition to Transaction-Based Customer Satisfaction Survey (issued December 22, 2025) (Liberty Survey Order).

[26] Liberty Survey Order, p. 7. As stated on page two of the Liberty Survey Order, Rate Year One is the 12-month period ending March 31, 2025, Rate Year Two is the 12-month period ending March 31, 2026, and Rate Year Three is the 12-month period ending March 31, 2027.

[27] Liberty Survey Order, p. 7.

increased survey participation via email compared to traditionally sent surveys through physical mail or via telephone. As a result, we recommend the Utilities develop proposals to modify their existing surveys to incorporate the statewide pilot survey, with a particular focus on collecting email-based customer feedback, if not already doing so.[28]

NMPC's 2025 Customer Satisfaction Survey performance of 76.2 percent did not meet the minimum residential customer satisfaction survey target of 82.0 percent resulting in NMPC incurring an NRA of 12 basis points. NMPC also failed to meet the 78.0 percent target for the Small/Medium C&I (Commercial & Industrial) Customer Satisfaction Survey, resulting in an additional NRA of 12 basis points. NMPC attributed its inability to meet the targets to customers' dissatisfaction with high bills, billing and payment issues, delays in connecting gas and electric services, and frequent outages.[29] Staff held technical calls with NMPC representatives to discuss its Residential Customer Satisfaction Survey in 2025 and 2026. NMPC currently collects residential customer satisfaction information via a 28-question telephone survey. The question used to determine whether the survey response will count for the metric, as well as actual level of customer satisfaction, is toward the end of this survey. The duration of the survey may cause challenges in acquiring the number of responses needed to obtain a sufficiently representative sample size of their customer population. Staff recommends NMPC consider shortening its survey to improve customer response rates.[30]

Both NYSEG and RG&E failed to meet their respective targets of 89.5 percent and 88.0 percent, resulting in each utility incurring maximum NRAs of 19 basis points. For calendar year 2025, NYSEG's Customer Satisfaction Survey performance was 85.6 percent, a slight increase from the 2024 performance result of 84.7 percent. In 2025, RG&E's performance for the Customer Satisfaction Survey reached 84.1 percent, constituting a slight increase from its 2024 result of 83.9 percent. Given that both utilities have failed to meet their Customer Satisfaction Survey metrics targets for two or more consecutive calendar years, NYSEG and

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28 Staff Recommendation No. 4.

29 Cases 20-E-0380 et al., NMPC – Electric and Gas Rates, 2024 NMPC Annual Customer Service Performance Indicators Report (filed March 31, 2025).

30 Staff Recommendation No. 5.

RG&E are further subject to a doubling provision.[31] Therefore, NYSEG's NRA of 19 basis points for the Customer Satisfaction Survey will increase to 38 basis points, or approximately $13.3 million. Likewise, RG&E's Customer Satisfaction Survey metric NRA will increase from 19 basis points to 38 basis points, or approximately $8.06 million.

NYSEG and RG&E's current Customer Satisfaction Survey uses a scale of 1 to 5, where "5" represents "Very dissatisfied" and "1" represents "Very satisfied."[32] This ordering reverses the conventional interpretation of a five-level ranking, wherein "1" represents the lowest satisfaction and "5" represents the highest potentially, which could lead to confusion on the part of the customer. Staff recommends that NYSEG and RG&E implement a more widely used ranking system in which "1" represents "Very Dissatisfied," "2" represents "Dissatisfied," "3" represents "Neither Satisfied or dissatisfied," "4" represents "Satisfied," and "5" represents "Very Satisfied."[33]

Con Edison's Customer Satisfaction Survey performance is shown separately in Figure 5 because the PSC approved Con Edison's use of the Pilot Statewide Customer Satisfaction Survey in the most recent rate plan for the Company.[34] The survey is scored on a five-point scale, with a score of "1" being "Very Dissatisfied" and a score of "5" being "Very Satisfied."[35] As shown below, Con Edison met the target levels for its performance of both the Emergency Interactions Survey and the Non-Emergency Interactions Survey.

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[31] Cases 22-E-0317 et al., supra, Order Adopting Terms of Joint Proposal (issued October 12, 2023), Attachment 1 (Joint Proposal), Appendix P, p. 6.

[32] Case 25-E-0375 et al., NYSEG and RG&E – Electric and Gas Rates, Evidentiary Hearing Transcript, February 11, 2026, pp. 204-205.

[33] Staff Recommendation No. 6.

[34] Cases 22-E-0064 et al., Con Edison – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, pp. 4-5.

[35] Case 15-M-0566, supra, Order Authorizing Implementation of a Pilot Statewide Customer Satisfaction Survey, (issued October 18, 2018), p. 5.

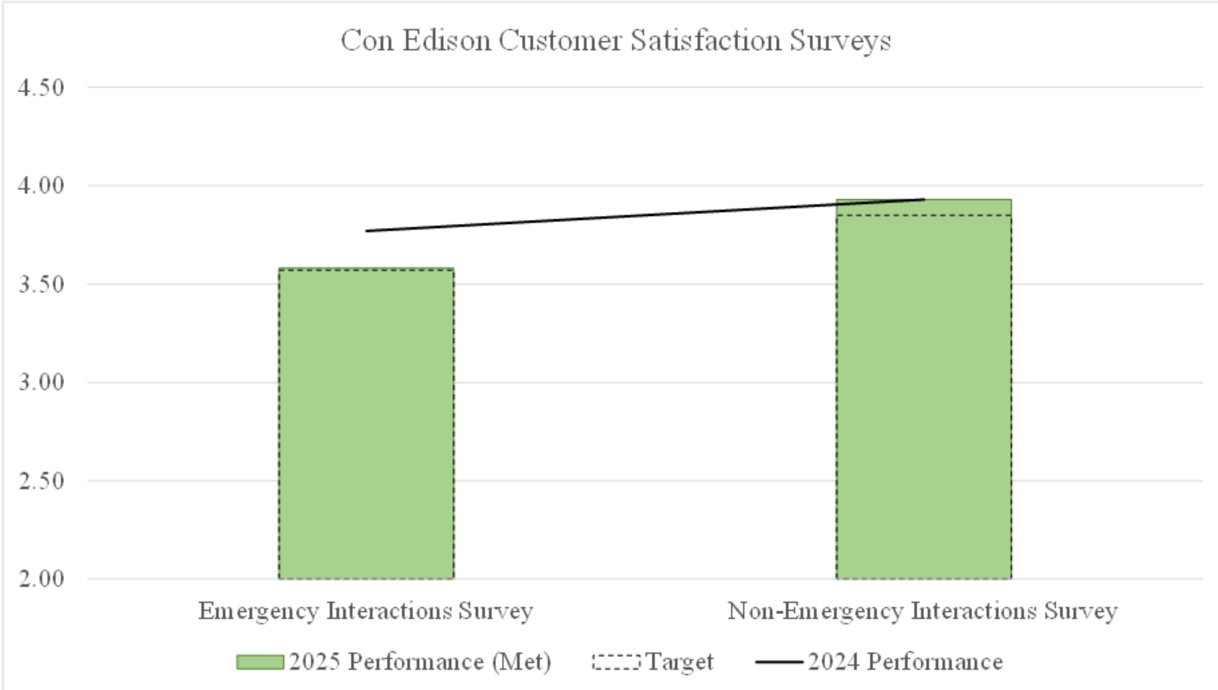

Figure 5 – Con Edison Customer Satisfaction Survey

As a result of the Metrics Order, the Utilities, interested stakeholders, and Staff held a series of collaborative meetings to establish a Uniform Statewide Survey on a pilot basis. This survey, based on transactions between the major utilities and customers, would consist of one or two questions designed to efficiently assess customer satisfaction. The Utilities began reporting the results of this survey on a quarterly basis after its introduction in January 2019 and have continued to do so in tandem on their required CSPI reporting. As part of Staff's discussions with the Utilities, and throughout Staff's review of interrogatory responses in this proceeding, Staff discovered that the response rates achieved through the non-uniform survey methods previously administered by the Utilities have remained consistently low.

Call Answer Rate

Utilities answer customer telephone calls either through internal call centers, outside third-party vendors, or a combination of the two. The Call Answer Rate metric examines the percentage of customers requesting to speak with a customer service representative (CSR) which are answered by a CSR within 30 seconds. The metric is calculated by dividing the total number of calls answered within 30 seconds by the number of calls requesting a representative, less all calls abandoned within 30 seconds, multiplied by 100.[36] The Utilities may include calls to dedicated lines, which are provided to customers for specific purposes such as electric or gas emergency calls, in their respective metric formulae for the monthly CSPI reports.[37] However, NFG, NYSEG, RG&E, and O&R each exclude certain types of phone calls from their Call Answer Rate calculations. NFG excludes Special Assistance Group calls from social service agencies, calls from the Department for quality assurance, calls from customers reporting manual meter reading data via the phone keypad, and customer calls made to third-party vendors for payment processing.[38] NYSEG and RG&E exclude calls received on a dedicated Department of Human Services line,[39] and O&R excludes direct calls received on its Life Support Equipment and New Business hotlines.[40]

For calendar year 2025, a majority of the New York utilities subject to the Call Answer Rate metric successfully achieved their performance targets, as shown in Figure 6 below. However, Central Hudson, KEDLI, KEDNY, and NMPC did not meet their targets, and will therefore incur NRAs for this metric in 2025. In general, the performance results support our position that potential NRAs help encourage utilities to make customer service improvements to meet their PSC-approved performance targets. NYSEG and RG&E met their 2025 targets after failing to do so in 2024, and while Central Hudson did fall short of its targeted Call Answer Rate metric target in 2025, its performance has shown a marked improvement over its 2024 results.

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[36] Metrics Order, Appendix, p. 5.

[37] Metrics Order, pp. 12-13.

[38] Case 15-M-0566, <u>supra</u>, NFG CSPI 2024-12 Report (filed January 31, 2025).

[39] Case 15-M-0566, <u>supra</u>, NYSEG and RGE Performance Indicator Report 01-2025 (filed February 28, 2025).

[40] Case 15-M-0566, <u>supra</u>, Orange and Rockland Utilities PIR Report February 2025 (filed March 14, 2025).

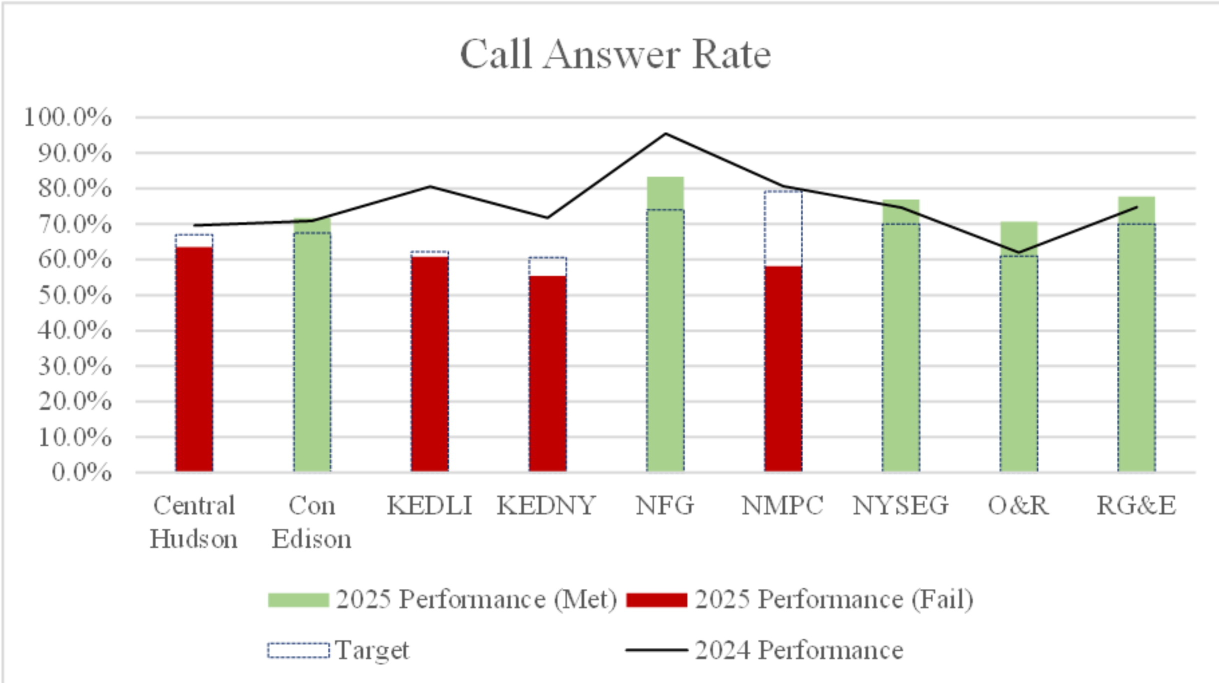

Figure 6 – Call Answer Rate

We note that O&R included figures sourced from customers residing in both New York and New Jersey in its CSPI report. During discussions with Staff, O&R stated that New York and New Jersey utilize the same call-handling platform and its current system configuration and call-routing design does not allow for the disaggregation of New York and New Jersey customers for reporting purposes. Staff is concerned that the inclusion of calls from New Jersey customers in the calculation of O&R's Call Answer Rate may dilute the metric as a means of measuring the quality of service provided to New York customers and, as such, recommends that O&R investigate potential avenues to track and report New York and New Jersey customers separately for the purposes of the CSPI reports.[41]

Following the discussions with O&R, utility personnel informed Staff that O&R also calculated the Call Answer Rate metric using a weighted average. While this change in calculation methodology would not result in an NRA being incurred for the 2025 Call Answer Rate metric, it does impact the performance results since Staff used a straight 12-month average to calculate O&R's year end results. Further, the PSC's most recent rate order for O&R directs

[41] Staff Recommendation No. 7.

the annual performance for the Call Answer Rate metric to be calculated as the average of the 12 monthly Call Answer Rates during the calendar year.[42] Going forward, O&R needs to adhere to the directives of the rate order and calculate the Call Answer Rate accordingly. Further, Staff recommends O&R recalculate and resubmit its CSPI results for calendar year 2025 using a straight average, rather than a weighted average.[43]

Additionally, Staff found that O&R used an outdated methodology, from a previous rate order,[44] to calculate the call answer rate it reports in its monthly CSPI filing. This resulting percentage differs from the result using the calculation methodology outlined in the Metrics Order. The PSC's most recent rate order for O&R adopted the Metrics Order methodology, which O&R should have begun using as of January 1, 2025.[45] While O&R would not have incurred an NRA utilizing the methodology adopted by the PSC in its most recent rate proceeding, the Company should adhere to the calculation method outlined in the Company's Joint Proposal.[46] Going forward, all of the Utilities, if they have not already done so, should align their Call Answer Rate metric calculation to the methodology outlined in the Metrics Order.

For several of the Utilities, the granular information they provided in response to Staff's requests during this annual review did not align with the data provided in the monthly CSPI reports. Additionally, KEDLI, KEDNY, and NMPC transitioned away from utilizing their

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[42] Cases 24-E-0060 et al., O&R – Electric and Gas Rates, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 20, 2025), Attachment 1 (Joint Proposal), Appendix 15, p. 4.

[43] Staff Recommendation No. 8.

[44] Cases 21-E-0074 et al., O&R – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, with Additional Requirements (issued April 14, 2022), Attachment 1 (Joint Proposal), Appendix 15, p. 3. The Company calculated the performance rate by adding the system-wide number of calls answered by a representative within 30 seconds divided by the sum of the system-wide number of calls where a customer requests to speak with a representative.

[45] Cases 24-E-0060 et al., supra, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 20, 2025).

[46] Cases 24-E-0060 et al., supra, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 20, 2025), Attachment 1 (Joint Proposal), Appendix 15, pp. 3-4.

third-party vendors at various points in 2025 and were unable to obtain information from at least one of the vendors, limiting the amount of data available to Staff to verify these utilities' reported performance.[47] To improve transparency and prevent reporting failures of this nature, should similar issues arise with the Utilities' systems or third-party vendors in the future, Staff recommends the Utilities enhance their monthly CSPI reports to include a breakdown of the total calls answered by a representative and the total calls answered by a representative within thirty seconds, rather than simply providing the percentages for each.[48] Additionally, should a utility transition from an external, or third-party, vendor to an "in-house" approach for administering its Customer Satisfaction Survey metrics, Staff recommends the utility notify the Office of Consumer Services of this modification to ensure adequate data reporting, transparency, and that the data recovery from the previous vendor is being monitored and filed regarding the metric.[49]

Adjusted and Estimated Bills

A utility renders an adjusted bill to a customer to correct a prior bill for the same billing period. Generally, utilities issue adjusted bills to correct for estimated bills based on estimated meter reads after an actual meter reading. Some utilities schedule meter reads bimonthly and rely on estimated reads for the months when an actual reading is not obtained, while the remainder of the utilities read meters monthly. All the Utilities rely on estimates in circumstances where an actual meter reading cannot be obtained.

The PSC aims to keep the number of estimated bills as low as possible and, through rate cases, sets utility-specific targets based on the number of estimated bills as a percentage of the total number of bills issued in the calendar year. The PSC's rate order for KEDLI and KEDNY set the minimum targets for the companies' Adjusted Bills metric at less than 0.62 percent for each utility.[50] KEDLI and KEDNY's performance levels for calendar year 2025 were 0.19 percent and 0.19 percent, respectively. Therefore, neither KEDLI nor KEDNY

[47] See KEDNY and KEDLI's response to DPS-39, Attachment 1.

[48] Staff Recommendation No. 9.

[49] Staff Recommendation No. 10.

[50] Cases 23-G-0225 et al., KEDNY and KEDLI – Gas Rates, Order Approving Terms of Joint Proposal and Establishing Rate Plans, with Minor Modification and Corrections (issued August 15, 2024), Attachment 1 (Joint Proposal), p. 72.

will incur NRAs in calendar year 2025 for adjusted bills.

NYSEG and RG&E successfully met their estimated bill targets of 2.23 percent and 5.15 percent, respectively, with reported performances of 1.25 percent and 2.00 percent of bills estimated throughout calendar year 2025. Staff reviewed data NYSEG and RG&E provided in response to IRs during this annual review, and identified discrepancies compared to the data NYSEG and RG&E reported monthly throughout 2025. These variances were a result of NYSEG and RG&E transitioning their reporting process from manual entries to automated systems in May 2025. While still conducting the manual reporting, NYSEG and RG&E personnel made a transcription error which resulted in the difference in performances.

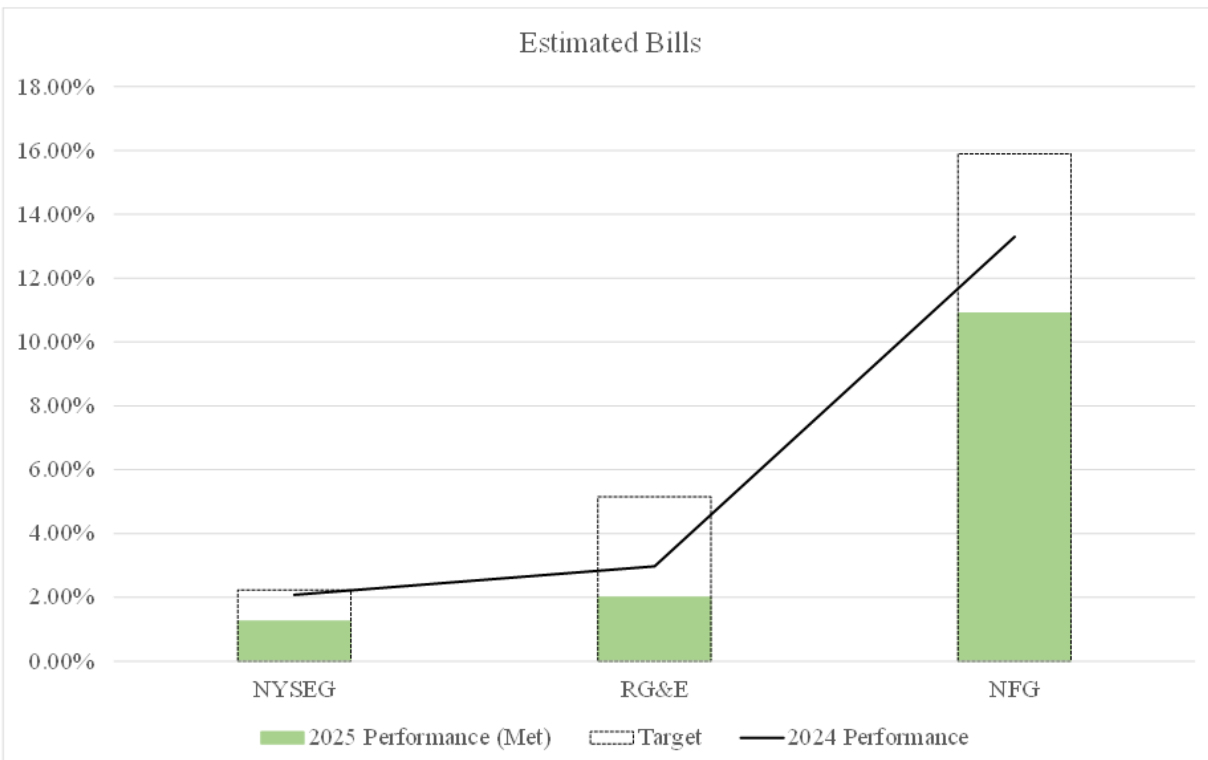

Figure 7 – Estimated Bills

The PSC established an estimated bill threshold level of 15.9 percent for 2025.[51] Staff notes that NFG, while having the highest percentage of estimated bills for the year among all New York utilities, was still below its threshold with a performance of 10.9 percent, a decrease from its calendar year 2024 results of 13.25 percent. Staff recommends NFG expand its outreach efforts to reduce the number of months before offering customers information on the Customer Read Program from four to three and allow customers to take a picture of their meter read to send into NFG for verification.[52]

In order to reduce the number of estimated bills, Staff recommends the Utilities explore implementing a program similar to NFG's Customer Read Program, if they do not already have one. This would allow customers to report their meter readings in the event a utility's meter readers are unable to access the meter. Any plans for potential implementation can be made in the respective utility's next rate filing and should include details regarding outreach materials for informing customers of how and when to read their meters accurately, how the utility will verify these readings within its customer information system, as well as the methods by which customers can report their meter readings.[53]

Appointments Kept and Missed Appointment Credits

When a utility schedules an appointment with a customer, the utility has the obligation to meet that customer at the designated location, time, and date, whether the task involves a meter reading, safety inspection, or other utility function. If a utility fails to arrive at a customer appointment within the designated window, it is considered a missed appointment. Most of the utilities, as shown in Figure 8 below, must issue a bill credit to the affected customer for each missed appointment. The Utilities' respective tariffs each specify the credit amount, ranging from $20 to $60, and the conditions under which the utility must issue a missed appointment credit to residential or non-residential customers. Figure 8 includes the number of

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[51] Case 23-G-0627, NFG – Rates, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan with Minor Modifications (issued and effective December 19, 2024), pp. 72-75. Annual performance metrics, including potential NRAs for CSPI results became effective for NFG beginning in January 2025.

[52] Staff Recommendation No. 11.

[53] Staff Recommendation No. 12.

missed appointment credits issued and the total dollar value for each utility that issued these credits in calendar year 2025.[54]

Utility	Credits Issued	Value of Credits Issued
KEDNY	4,426	$139,800
KEDLI	795	$30,045
NMPC	883	$26,430
Liberty Water	512	$12,800
RG&E	56	$1,960
NYSEG	55	$1,925
Veolia	60	$1,525
O&R	60	$1,500
Central Hudson	37	$740
Con Edison	6	$300
Corning	1	$25

Figure 8 – Appointments Missed and Credits Provided to Customers

Staff compared the total number of appointments made at each utility listed in Figure 8 using the verified monthly performance reports and data provided in the utilities' interrogatory responses. While various utilities have a significant number of missed appointments and associated missed appointment credits issued, Staff conducted a comparative analysis for KEDLI, KEDNY, and NMPC, which showed that these utilities missed slightly more appointments in 2025 than in previous years.

It is important to note the figures for Con Edison, KEDLI, KEDNY, and NMPC include both non-residential and residential missed customer appointments in calendar year

54 Liberty SLG and NFG do not currently provide bill credits for missed appointments.

2025.[55] NYSEG and RG&E's most recent Rate Order did not direct these two utilities to provide non-residential customers with missed appointment credits.[56] Central Hudson, Liberty Water, O&R, and Veolia's systems are unable to differentiate and distinctly report non-residential and residential customers for the purpose of issuing missed appointment credits.[57]

Given Staff's review across all New York utilities shows they issued numerous missed appointment credits to non-residential customers, we recommend that, if a utility provides such credits it should develop a method for separately tracking non-residential and residential customer credits related to this metric, to inform future consideration of options regarding a non-residential customer missed appointments metric.[58] This will improve transparency on how the utilities are performing in regard to residential and non-residential missed appointments and issuing missed appointment credits. Staff's review also showed multiple utilities are unable to differentiate customer appointment types. Therefore, Staff recommends all the Utilities, if not already doing so, track missed customer appointment types, including appointments that are not completed due to no access, so this information can be reviewed during annual audits.[59]

The PSC's most recent rate order for Liberty SLG, directed the utility to develop a missed appointment credit policy, which will be implemented by November 1, 2026.[60] So, while Liberty SLG does not currently issue credits to customers for missed appointments, Staff anticipates this policy and associated procedures will be developed and deployed within the next year.

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[55] Con Edison's responses to DPS-29 and DPS-31; KEDLI and KEDNY's responses to DPS-47 and DPS-49; Cases 24-E-0322 and 24-G-0323, NMPC – Electric and Gas Rates, Customer Service Performance Indicators Report (Calendar Year 2025) (filed March 31, 2026), pp. 8-9.

[56] Cases 22-E-0317 et al., supra, Order Adopting Joint Proposal (issued October 12, 2023) (2023 Rate Order), Attachment 1 (Joint Proposal), Appendix P, pp. 6-7.

[57] Central Hudson's Response to DPS-11, O&R's responses to DPS-119 and DPS-121, Liberty Water's responses to DPS-173 and DPS-175, and Veolia's response to DPS-191.

[58] Staff Recommendation No. 13.

[59] Staff Recommendation No. 14.

[60] Liberty SLG's response to DPS-155.

PSEG LI

Under the terms of the Second Amended and Reinstated Operations Services Agreement (OSA) effective April 2022, LIPA and PSEG LI negotiate specific incentive compensation for performance metrics, which include quantitative targets and/or project deliverables.[61] The OSA was set to expire at the end of 2025, however, both parties agreed to a five-year extension through December 31, 2030.[62] The metrics measure and evaluate PSEG LI's performance and service provided to residential and non-residential customers. Staff reviews and provides recommendations pertaining to the metrics, targets, and deliverables prior to them being finalized. At the end of the first quarter of each year, PSEG LI submits an incentive compensation claim for the utility's performance compared to the set targets and deliverables for the metrics for the prior year, which is then evaluated by LIPA. Thereafter, Staff reviews both PSEG LI and LIPA's reports and issues its recommendations to the LIPA Board of Trustees for payment of PSEG LI's incentive compensation. Partial compensation or tiers of compensation may also be negotiated by LIPA and PSEG LI for certain metrics. The Customer Service metrics for 2025 included J.D. Power Customer Satisfaction Survey (Residential and Business), Contact Center Service Level, DPS Complaint Rate, First Call Resolution, Net Dollars Written Off as a Percentage of Revenue, Arrears Aging Percentage Greater than 90 Days Past Due, Low-Moderate Income Program Participation, Interactive Voice Response Containment Rate, Call Average Handle Time, and Electronic Bill Enrollment.

PSEG LI achieved the metric targets set for J.D. Power Customer Satisfaction Survey (Business), Contact Center Service Level, DPS Complaint Rate, Net Dollars Written Off as a Percentage of Revenue, and Arrears Aging Percentage Greater than 90 Days Past Due to earn full compensation. PSEG LI failed to achieve the metric targets set for J.D. Power Customer Satisfaction Survey (Residential), First Call Resolution, and Interactive Voice

[61] Second Amended and Restated Operations and Services Agreement Between the Long Island Power Authority and PSEG Long Island, LLC, Appendix 4.3(C)(I)(B) (effective April 1, 2022), available at https://www.lipower.org/wp-content/uploads/2022/04/2nd-AR-OSA-in-effect-on-4-1-2022-1.pdf.

[62] LIPA Board Approves Five-Year Extension of PESG Long Island Agreement, Delivering Affordability and Accountability For Customers, September 25, 2025, available at https://www.lipower.org/wp-content/uploads/2025/09/0925-PSEG-Long-Island-Extension.pdf

Response Containment Rate. Based on DPS's review of the information provided by PSEG LI and the evaluation performed and provided by LIPA, DPS recommended that LIPA award PSEG LI $18.66 million in incentive-based compensation for its 2025 metrics performance.[63]

CONCLUSION

During the 2025 customer service performance audit process, Staff examined the Utilities' 2025 performances along with modifications Utilities have made since Staff's 2024 Customer Service Performance audit. Staff continually seeks improvement in utility customer service and on CSPI reporting throughout the rate case processes. For calendar year 2025, seven out of 12 electric, gas, and water utilities' achieved satisfactory results on all of their applicable measures of customer service performance. Staff will explore modifications to existing performance-based ratemaking strategies as well as adding additional protections to promote customer service quality in conformance with PSC policies for all New York State utilities.

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63 Matter 26-00671, In the Matter of Department of Public Service Evaluation of PSEG Long Island Performance and Incentive Compensation 2025, Staff Recommendation Letter (issued June 16, 2026).

Staff Recommendations

1. The Utilities should develop a procedure to confirm the data they provide in their filed reports is correct, such as utilizing multiple personnel to cross-check the submitted data if they have not already done so.

2. O&R should break out New York customer data and report only this information in the monthly and annual CSPI reports going forward. If O&R cannot do so, it should investigate methods, potentially in the form of additional granular reporting or modifications to its computer information systems, to only report New York customers in its future CSPI metric filings.

3. The Utilities should investigate and put forth proposals that would incorporate translated customer satisfaction surveys into the Customer Satisfaction Survey metric if they do not already do so.

4. The Utilities should develop proposals to modify their existing surveys to incorporate the statewide pilot survey, with a particular focus on collecting email-based customer feedback, if not already doing so.

5. NMPC should consider shortening its survey to improve customer response rates.

6. NYSEG and RG&E should implement a more widely used ranking system for its Customer Satisfaction Survey in which "1" represents "Very Dissatisfied," "2" represents "Dissatisfied," "3" represents "Neither Satisfied or dissatisfied," "4" represents "Satisfied," and "5" represents "Very Satisfied."

7. O&R should investigate potential avenues to track and report New York and New Jersey customers separately for the purposes of the CSPI reports.

8. O&R should recalculate and resubmit its CSPI results for calendar year 2025 using a straight average, rather than a weighted average.

9. The Utilities should enhance their monthly CSPI reports to include a breakdown of the total calls answered by a representative and the total calls answered by a representative within thirty seconds, rather than simply providing the percentages for each.

10. Should a utility transition from an external, or third-party, vendor to an "in-house" approach for administering its Customer Satisfaction Survey metrics, the utility should notify the Office of Consumer Services of this modification to ensure adequate data reporting,

transparency, and that the data recovery from the previous vendor is being monitored and filed regarding the metric.

11. NFG should expand its outreach efforts to reduce the number of months before offering customers information on the Customer Read Program from four to three and allow customers to take a picture of their meter read to send into NFG for verification.

12. The Utilities should explore implementing a program similar to NFG's Customer Read Program, if they do not already have one. This would allow customers to report their meter readings in the event a utility's meter readers are unable to access the meter. Any plans for potential implementation should be included within the respective utility's next rate filing and should include details regarding outreach materials for informing customers of how and when to read their meters accurately, how the utility will verify these readings within its customer information system, as well as the methods by which customers can report their meter readings.

13. If a utility provides missed appointment credits to non-residential customers, it should develop a method for separately tracking non-residential and residential customer credits related to this metric, to inform future consideration of options regarding a non-residential customer missed appointments metric.

14. The Utilities, if not already doing so, should track missed customer appointment types, including appointments that are not completed due to no access, so this information can be reviewed during annual audits.

Chart of Utility Metrics

Calendar Year 2025								
Utility	**Call Answer Rate**	**Customer Satisfaction Survey**	**PSC Complaint Rate**	**Complaint Metric (Small Utility)**	**Adjusted Bills**	**Estimated Bills**	**Con Edison Emergency Survey**	**Con Edison Non-Emergency Survey**
Central Hudson	X	X	X					
Con Edison	X		X				X	X
Corning		X		X				
KEDLI	X	X	X		X			
KEDNY	X	X	X		X			
Liberty SLG		X		X				
Liberty Water		X		X				
NFG	X	X	X			X		
NMPC	X	X	X					
NYSEG	X	X	X			X		
O&R	X	X	X					
RG&E	X	X	X			X		
Veolia				X				
Legend:	X = Failed Target		X = Met Target	X = Not Applicable/Forgone Mechanism in 2025		* = No Breakdown by Electric/Gas		