

February 21, 2025

**VIA ELECTRONIC MAIL**

Honorable Michelle L. Phillips  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York, 12222

Re: Case 22-E-0317-- 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 22-G-0318-- 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 22-E-0319-- Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service.

Case 22-G-0320-- Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service.

Dear Secretary Phillips:

New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E” and collectively with NYSEG, the “Companies”) hereby submit this letter petition for waiver of certain customer service metrics and associated negative revenue adjustments (“NRAs”) contained in the Joint Proposal adopted by the State of New York Public Service Commission (“Commission”) in Cases 22-E-0317 et al.<sup>1</sup> (the “Joint Proposal”). Specifically, as part of the Customer Service Performance metrics, the Joint Proposal established targets associated with Customer Complaints, Contact Satisfaction, Percent of Calls Answered within Thirty (30) Seconds, and Percent of Estimated Bills. The Joint Proposal established revenue adjustments based upon the Companies’ performance pursuant to these metrics. For

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<sup>1</sup> Case 22-E-0317 – 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 22-G-0318 – 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 22-E-0319 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service and Case 22-G-0320 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations for Gas Service, Order Approving Electric and Gas Rate Plans in Accord with Joint Proposal with Modifications (Oct. 12, 2023) (“2023 Rate Order”).

2023, the metrics, results and associated NRAs were divided into a stub period covering January through April 2023 and a post-stub period covering May through December 2023.

For the reasons explained in detail below, the Companies request that the Commission consider metric results looking at 2023 as a whole and assess NRAs without consideration of a separate stub period. Additionally, the Companies request that the Commission waive the NRAs associated with the Companies’ Customer Complaints and Contact Satisfaction results in 2024.

**Legal Authority:**

The Commission has the legal authority to rule on this petition under Public Service Law (PSL) §§65 and 66, because the Commission has general supervision of all electric and gas corporations in New York State, which includes the ability to regulate the terms under which such corporations provide service to their customers and the authority to make ratemaking determinations.

**2023 Results**

For 2023, when looking at the stub period and the post stub period separately, the Companies’ results yielded a NRA of approximately \$18.5 million (\$11.39 million at NYSEG and \$7.08 million for RG&E).<sup>2</sup> Results for the entire 2023 are shown below. Historically, the Companies (and other New York utilities) use a year-long measure. The Companies believe it is appropriate to do so for the 2023 results.

	A	B	C	D	E	F
	Scenario 1	Measure	Target	2023 Results	2023 Basis Points	Exposure \$
1						
2	NYSEG	PSC Complaints	<1	4.66	17.91	\$ 5,350,863
3		% Calls Answer in 30 Seconds	>70%	72.70%	0	\$ -
4		Contact Sat	>89.5%	85.20%	17.91	\$ 5,350,863
5		Estimated Bills	<4.33%	6.65%	0	\$ -
6	RG&E	PSC Complaints	<1	5.33	17.73	\$ 3,379,019
7		% Calls Answer in 30 Seconds	>70%	76.10%	0	\$ -
8		Contact Sat	>88%	81.0%	17.73	\$ 3,379,019
9		Estimated Bills	<10.02%	11.78%	0	\$ -
10					Total	\$ 17,459,764
11						

<sup>2</sup> See January 30, 2024 NYSEG-RG&E Service Quality Measure filing letter in Case 22-E-0317, et. al.

## **2024 Customer Service Overview:**

As the Companies continue to strive to return to pre-pandemic customer service performance levels and recover from macroeconomic challenges that adversely affected our customers and the Companies’ ability to serve, 2024 was a year of continued improvement. The Companies took their biggest strides in improving the PSC Complaint Rate and Estimated Bills, while Percent Calls Answered in 30 Seconds and Contact Satisfaction remained relatively similar to the prior year but were markedly improved since 2022. The table below shows results from 2019 through 2024.

The Companies expanded the focus on its customers, and in 2024, conducted over 210 Customer Outreach Events. Our Customer Advocates and/or Call Center Representatives attended these events, held throughout the communities we service, to help customers understand their bill, provide affordability solutions, answer questions about smart meters and educate on energy efficiency. In addition, these community outreach events helped build relationships not only with our customers but with human service agencies and community leaders.

### **New York NRA Customer Service Scorecard 2024**

	Measure	Target	2019	2020	2021	2022	2023	2024
NYSEG	% Calls Answered in 30 Seconds	>70%	63.3%	68.7%	70.5%	43.2%	72.7%	74.7%
	Contact Satisfaction	>89.5%	91%	90.9%	90.6%	84.7%	85.2%	84.7%
	Estimated Bills	<4.33%	6.2%*	10.1%*	9.7%	12.6%	6.7%	2.08%
	PSC Complaint Rate	<1	0.33	0.31	0.42	1.49	4.66	0.95
RG&E	% Calls Answered in 30 Seconds	>70%	75.7%	77.8%	75.8%	41.6%	76.1%	74.8%
	Contact Satisfaction	>88%	90.3%	92.2%	91%	80.4%	81.0%	83.9%
	Estimated Bills	<10.02%	6.1%*	11.6%*	25.6%	27.9%	11.8%	2.97%
	PSC Complaint Rate	<1	0.17	0.30	0.33	3.37	5.33	1.10

*Green = Achieved or tracking to target Grey = Not achieved*

## **Customer Complaints**

RG&E should not incur a negative revenue adjustment (NRA) under this metric. Under the circumstances, the only fair and logical determination is that RG&E met this metric in 2024. First, in 2024, RG&E, combined with NYSEG, reduced the number of chargeable complaints from 833 to 169 resulting in a 79% reduction from 2023. Additionally, nearly twenty eight percent (28%) of the chargeable complaints (NYSEG 38 and RG&E 9) should not be chargeable to the Companies. Each of these complaints were resolved or concluded by Department of Public Service Staff

(“Staff”) in favor of the Companies. In short, Staff concluded that the action taken, or resolution reached, was appropriate. Notwithstanding this conclusion, if a customer was not satisfied with the resolution or conclusion and then contacted the Staff again on the same issue a chargeable complaint results. This is patently unfair.

Complaints that were resolved in favor of RG&E should be removed from the calculation. When these complaints are removed, RG&E meets the metric. A negative revenue adjustment arising from “complaints” where the RG&E did not falter in any way is unduly punitive and contrary to the intent of the metrics and associated NRAs.

### **Contact Satisfaction**

The Companies’ Contact Satisfaction scores reflect positive progress, showcasing the Companies’ commitment to continued enhancement of our customers’ experience when interacting with the Companies. Notwithstanding this progress, under strict interpretation of the calculation for Contact Satisfaction, the Companies missed this metric in 2024. However, a waiver is appropriate for a number of reasons.

The Companies can demonstrate significant improvement in Customer Satisfaction results. In particular, the level of customers responding that they are very satisfied (1 ranking) or somewhat satisfied (2 ranking) shows improvement, together with reductions in the number of customers responding that they are dissatisfied (4 ranking) or very dissatisfied (5 ranking) provides ample evidence of the Companies’ improved performance. Unfortunately, customers that indicated a neutral response count against the Companies for purposes of the metric calculation.

The intention of metrics and associated NRAs and in certain instances, positive revenue adjustments (PRAs) are to incentivize behavior. NYSEG and RG&E have among the strictest metrics and have acknowledged the need to continuously improve. As shown above, the Companies have improved performance, and such demonstrated improvement needs to be considered when looking at the metrics and potential NRAs.

Application of the NRAs will hurt NYSEG and RG&E customers. The Companies understand that NRAs are an important regulatory tool to ensure compliance and protect consumers, but excessive penalties can have unintended consequences for utility creditworthiness and long-term investment. The excessive penalty for 2023 when not considering the year in total and the excessive penalty associated with 2024 results will have a materially negative impact on the Companies’ cash flow. The excessive penalty will also weaken the Companies’ already weak financial ratios, particularly funds from operations to debt ratio. While NYSEG and RG&E each received a stable outlook from Moody’s most recent credit opinions (January 2025), in each case the outlook was premised on the expectation that their ratio of CFO pre-WC to debt will improve to at least 14% in the next 12-18 months and be sustained above that level thereafter. Additionally, Moody’s noted that, if progress toward financial improvement does not begin to materialize over the next several months, a negative ratings outlook could follow and that inadequate revenue improvement from the 2023-approved rate case or degradation in relationship between the company and New York politicians or regulators could lead to a downgrade.

## **Fairness and Consistency**

Consistency among the utilities in New York regarding customer service metrics has been a theme in cases addressing this issue.<sup>3</sup> The customer service metrics are “intended to achieve, to the extent practicable, consistency in how customer data is tracked and reported, while maintaining relevance to the customer experience, and practicality of administration”<sup>4</sup>. While the metrics being measured are the same among the major utilities in New York, the calculation methodologies and the consequences vary widely and NYSEG and RG&E are treated more harshly with more stringent metrics and/or more significant consequences as demonstrated by the following two figures. The first shows a comparison of the contact satisfaction metric targets and associated consequences if the targets are missed. The second figure below shows utility comparison of the complaint rate metric and associated consequences.

These two figures demonstrate the unfair treatment of NYSEG and RG&E and provide support for the waiver request the Companies are submitting today. The figures also show the inconsistency among the State’s major utilities and demonstrate that a renewed look at these issues is warranted. Consistent therewith, the Companies request that the Commission initiate a generic proceeding to review the customer service metrics and to consider changes to ensure fairness and consistency among the State’s major utility companies.

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<sup>3</sup> Case 13-m-0314 Issue a Request for Proposal for an Independent Third-Party Consultant to Conduct a Review of the Accuracy and Effectiveness of Certain Reliability and Customer Service Systems at all Gas and Combination Gas and Electric Utilities in New York State that Provide Statistics to the Commission on the Services They Provide Customers. Case 15-M-0566 In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations.

<sup>4</sup> Case 15-M-0566 Order Adopting Revisions to Customer Service Reporting Metrics (Issued and Effective August 4, 2017) at page 6.

## NY Contact Satisfaction: Utility Comparisons



### Central Hudson Calculations: 2020 JP

- Eight question "How Did We Do?" Survey is the basis for Central Hudson Gas & Electric's Customer Satisfaction Index (CSI).

### Consolidated Edison Calculations: 2022 JP

- Simple average of the scores (on a scale from 1 to 5 – where 1 is dissatisfied and 5 is satisfied) and a fielding through email only. Therefore, the simple average includes neutral customers as well.
- Surveys are separated into two categories of Emergency and Non-Emergency

### National Grid Calculations: 2020 JP

- Customer satisfaction is determined by the number of customers rating them between "8" and "10" on a ten -point satisfaction scale.
- KEDNY and KEDLI is determined by the number of customers rating them between "6" and "10" on a ten -point satisfaction scale. (Not included in chart)
- Surveys are separated into two categories of Residential and Small/Medium Commercial & Industrial (C&I) Customer Satisfaction Survey

### Orange and Rockland Calculations: 2021 JP

- Customer satisfaction is determined by the number of customers rating them between "7" and "10" on a ten -point satisfaction scale.

Company	Rate Case Year	Target	2023 Performance	Max Basis Points
NYSEG	2022	< 89.5 %	85.20%	19 (15)
RG&E	2022	< 88 %	81.00%	19 (15)
Central Hudson	2020	< /= 89 %	63.50%	15
Con Ed (Emergency)	2022	< /= 3.57 (71 %)	3.78 (75.6%)	7.5
Con Ed (Non-Emergency)	2022	< /= 3.85 (77%)	3.98 (79.6%)	7.5
National Grid (Residential)	2020	< /= 82 %	82.10%	12
National Grid (Small/Medium C&I)	2020	< /= 78 %	77.90%	12
Orange and Rockland	2021	< 92.6 %	93.00%	15

*If the same methodology was used for NYSEG/RG&E the results would exceed the metric for 2024.*

## NY Complaint Rate: Utility Comparisons



### Central Hudson Exclusions: Proposed Testimony 2024

- Exclude complaints from commodity prices from the metrics calculation.

### Consolidated Edison Exclusions: 2022 JP

- Excludes complaints from commodity prices from the metrics Calculation.
- Excludes complaints against alternate service providers.
- Excludes multiple complaints by a rate consultant raising the same issues as to more than one account will be counted as one complaint.
- Excludes shared meter complaints.

### National Grid Exclusions: Proposed Testimony 2024

- Excludes complaints from commodity prices from the metrics Calculation.
- Excludes complaints against alternate service providers.
- Excludes complaints that customer failed to address the issue with the Company prior to filing a complaint.
- Excludes Customer Opinions such as a view on a particular issue or condition, such as a pending rate case, a change in rates or charges or the imposition of new rates or charges, or the level of executive compensation.

### Orange and Rockland Exclusions: 2021 JP

- Excludes duplicative rate consultant complaints.
- Excludes high commodity prices complaints.
- Excludes complaints relating to natural disasters, major storms, or other unusual events not in the Company's control, will be excluded.

Company	Rate Case Year	Target	2023 Performance	Max Basis Points
NYSEG	2022	< 1.00	4.66	19 (15)
RG&E	2022	< 1.00	5.33	19 (15)
Central Hudson	2020	< /= 1.00	8.47	15
Con Ed	2022	< /= 2.00	1.5	10
National Grid	2020	< /= 1.00	0.6	12
Orange and Rockland	2021	< /= 1.00	0.2	15

## Conclusion

The Companies have made significant improvements in customer service experience for our customers over the last few years. The metrics have incentivized the proper behavior as



**Christine D. Alexander**  
Vice President – Customer

evidenced by all the customer service initiatives we undertook and the improvements we have made. Therefore, for the above-stated reasons, the Companies request that the Commission approve the waiver of the Complaints metric and resultant NRA for RG&E for the 2024 results and approve the waiver of the Contact Satisfaction metric and resultant NRAs for NYSEG and RG&E for the 2024 results and initiate a generic proceeding as requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Christine Alexander".

Christine Alexander  
Vice President – Customer Service

cc: Parties to the above-referenced Cases