BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

Liberty Utilities (St. Lawrence Gas) Corp

Case 24-G-0668

April 1, 2025

Prepared Testimony of:
Staff Consumer Services Panel

Anthony Mannarino
Utility Consumer Assistance
Specialist 2

Michael Sherman
Utility Analyst 1

State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

State of New York
Department of Public Service
125 East Bethpage Road
Plainview, New York 11803

Q. Members of the Staff Consumer Services Panel, or Panel, please state your names, employer, and business address.

A. Our names are Anthony Mannarino and Michael Sherman. We are employed by the New York State Department of Public Service, referred to as the Department. Mr. Mannarino’s business address is Three Empire State Plaza, Albany, New York 12223-1350. Mr. Sherman’s business address is 125 East Bethpage Road, Plainview, NY 11803.

Q. Mr. Mannarino, what is your position at the Department?

A. I am employed as a Utility Consumer Assistance Specialist 2 in the Consumer Advocacy Section of the Office of Consumer Services, or OCS.

Q. Mr. Mannarino, please describe your educational background and professional experience.

A. I received a Bachelor of Arts in Communications from St. Bonaventure University in 2005. I have been employed with the Department since August 2014. From 2014 until 2016, I was assigned to the Consumer Assistance Section of the Office of Consumer Services where my responsibilities included customer complaint investigations, service quality issues, and compliance with the Home Energy Fair Practices Act, or HEFPA. I joined the Consumer Advocacy Section and began my current role in February 2016, where I am responsible for monitoring utility compliance with consumer protections contained in the Public Service Law, or PSL, and the Commission's regulations. My responsibilities include advocating on behalf of residential customers and analyzing and interpreting utility customer service data.

Q. Have you previously testified before the Commission?

A. Yes. I have testified in Case 20-W-0102 regarding Liberty Utilities' acquisition of New York American Water Company, Inc., and in rate proceedings regarding Liberty Utilities (New York Water) Corp., referred to as Liberty NY Water in Case 23-W-0235; Liberty Utilities (St. Lawrence Gas) Corp., referred to as the Company or Liberty SLG, in Case 21-G-0577; Orange and Rockland, Inc., referred to as O&R, in Cases 24-E-0060, 24-G-0061, 18-E-0067, and 18-G-0068; Veolia Water New York, Inc. in Case 23-W-0111;

Veolia Water New York, Inc., et al., in Case 19-W-0168; and Consolidated Edison Company of New York Inc., referred to as Con Edison, in Cases 16-E-0060 and 16-G-0061. The subjects of my previous testimonies included low-income programs, customer service performance incentives, and customer facing technology investments, such as virtual assistants and Customer Information Systems.

Q. Mr. Sherman, what is your position at the Department?

A. I am employed as a Utility Analyst 1 in the Customer Advocacy Section of OCS.

Q. Please describe your educational background and professional experience.

A. I received a Bachelor of Business Administration in Management from the University of Massachusetts Amherst. I have been employed with the Department since November 2022 in the Customer Advocacy Section, where I am responsible for reviewing and making recommendations on tariff proposals, evaluating performance metrics, low-income programs, outreach and education for energy efficiency programs, and monitoring capital project outreach.

Q. Have you previously testified before the Commission?

A. No, I have not.

Scope of Testimony

Q. What is the purpose of the Panel's testimony in this proceeding?

A. Our testimony will address customer service issues. Specifically, we are addressing the Company's proposals to modify its monthly low-income discounts, to introduce a new Arrearage Management Program, referred to as AMP, and to implement a levelized billing plan for residential customers. Although the Company did not propose any modifications to its Customer Service Performance Indicators, or CSPIs, the Panel is recommending modifications to the Company's CSPI metric targets and low-income monthly discount. Further, the Panel is recommending the Commission expand the Company's cold weather customer protections and enhance outreach and education. Additionally, the Panel recommends the Commission establish new reporting requirements for adjusted bills and percent of calls answered within 30 seconds, continue reporting requirements for the low-income monthly discount program, and implement a missed appointment credit for residential customers.

A. In your testimony, will you refer to, or otherwise rely upon, any information obtained during the discovery phase of this proceeding?

Q. Yes. We will refer to, and have relied upon, several responses provided by the Company to Information Requests. These responses are contained within Exhibit__(SCSP-1). We will refer to these responses by the designation assigned to them by Department staff, referred to as Staff, during discovery, e.g., DPS-256.

Q. How many exhibits are you offering in connection with your testimony?

A. We are sponsoring five exhibits.

Q. Would you briefly describe each exhibit?

A. Exhibit__(SCSP-1) contains the Company responses to information requests we relied on in this testimony. Exhibit__(SCSP-2) contains the current target levels for the Company’s CSPIs, as well as the Panel's recommended target levels and negative revenue adjustments, or NRAs. Exhibit__(SCSP-3) includes a monthly utility data collections template for reporting purposes. Exhibit__(SCSP-4) provides the Panel's recommended monthly low-income discounts. Exhibit__(SCSP-5) includes an Outreach and Education Inventory Template.

Customer Service Performance Indicator

Q. What is the purpose of tying earnings incentives or metrics to the Company's CSPIs?

A. OCS Staff uses CSPIs to measure a utility's level of customer service so the Commission can determine whether the utilities are providing adequate levels of customer service. Incentives tied to Liberty SLG's CSPIs help to align shareholder and ratepayer interests by providing earnings consequences related to the quality of service that a utility provides to its customers. Each metric links earnings directly to the Company's performance on specific metrics.

Q. What utilities currently have a CSPI incentive mechanism in place?

A. Currently, such incentives are in effect for Central Hudson Gas & Electric Corp., or Central Hudson; Con Edison; Corning Natural Gas Corp., or Corning; KeySpan Gas East Corporation d/b/a National Grid, or KEDLI; The Brooklyn Union Gas Company d/b/a National Grid, or KEDNY; Liberty Utilities (New York Water) Corp.; Niagara Mohawk Power Corp. d/b/a National Grid, or Niagara Mohawk; New York State Electric & Gas Corporation, or NYSEG; O&R; Rochester Electric and Gas Corporation, or RG&E; and Veolia Water New York, Inc. Metrics are also currently in effect for the Company.

Q. Why is a CSPI needed?

A. As a monopoly provider of delivery service, Liberty SLG does not have a profit-based incentive to provide satisfactory customer service, because its customers cannot select another natural gas utility based on the quality of service provided. A CSPI is needed to establish an incentive for the Company to provide satisfactory levels of customer service performance. Performance-based incentives tied to CSPI metrics encourage utilities to provide adequate levels of customer service.

Q. Please describe Liberty SLG's current CSPI.

A. The Company currently has two metrics in place, the PSC Complaint Rate and the Overall Customer Satisfaction Index. These metrics were last addressed in Case 21-G-0577, Order Adopting the Terms of Joint Proposal, issued June 22, 2023, or the 2023 Order. The 2023 Order maintained the existing target levels for the PSC Complaint Rate and the Overall Customer Satisfaction Index. The 2023 Order also converted the NRA from dollar amounts to pre-tax basis points. Additionally, the 2023 Order paused the Company's Terminations and Uncollectibles metric due to COVID-19 impacts.

Q. What is the PSC Complaint Rate?

A. The PSC Complaint Rate refers to escalated complaints reported in the OCS Monthly Report of Customer Complaint Activity for each utility.

Q. How is the PSC Complaint Rate calculated?

A. The PSC Complaint Rate is the annual average number of escalated complaints received per month per 100,000 customers for each utility as reported by OCS for the 12-month period ending on December 31 of each year.

Q. What are the current target levels for the PSC Complaint Rate?

A. As shown in Exhibit__(SCSP-2), the initial and incremental target levels for Liberty SLG's annual PSC Complaint Rate are 1.5, 2.0 and 2.5 where the Company incurs a maximum NRA if its actual annual complaint rate is 2.5 or greater.

Q. How did Liberty SLG perform in the PSC Complaint Rate metric in the past three calendar years?

A. Liberty SLG's performance in 2022, 2023, and 2024 was 0.5 in each of the three years.

Q. How is the Overall Customer Satisfaction Index calculated?

A. The Overall Customer Satisfaction Index is calculated using the percentage of customers satisfied with the service they received from Liberty SLG. It is based on the weighted average results of an independent vendor's random telephone surveys for two customer groups: one group representative of the Company's residential customers, and the other group representative of the Company's commercial and industrial customers.

Q. Describe the survey used for the Company’s Customer Satisfaction Index.

A. According to the Company’s response to DPS-369, included in Exhibit__(SCSP-1), the Company conducts what is known as the Luth Survey. The Luth Survey is a broad-based customer satisfaction survey administered to all its customers one time per year by its third-party vendor.

Q. What are the current performance thresholds and for the Overall Customer Satisfaction Index?

A. As we provided in Exhibit__(SCSP-2), the initial and incremental target levels for the Company’s annual Customer Satisfaction Index are 86 percent, 85 percent, and 84 percent where the Company incurs a maximum NRA if its actual annual satisfaction survey percentage is 84 percent or less.

Q. Describe Liberty SLG’s performance in the Customer Satisfaction Index for the past three calendar years 2022, 2023 and 2024.

A. Liberty SLG’s performance in 2022, 2023 and 2024 was 81 percent, 82 percent and 88 percent, respectively.

Q. Describe the associated NRAs for the PSC Complaint Rate and Overall Customer Satisfaction Index metrics.

A. The NRAs associated with both metrics above are 5, 10 and, 15 basis points. For example, if the Company’s actual complaint rate for a calendar year was 1.6, the Company would incur an NRA equal to five basis points and deferred under the current rate plan for Commission consideration in its next rate proceeding.

Q. Did the Company incur an NRA for its performance on the satisfaction survey in 2022 and 2023?

A. Yes. The Company incurred the maximum NRA of 15 basis points, which was equivalent to $36,090.

Q. Has OCS Staff verified the Company’s CSPI results for the calendar years 2022, 2023 and 2024?

A. OCS Staff verified the Company’s performance for 2022 and 2023 through a series of information requests and in-person meetings with the Company as part of its annual utility service quality review. OCS Staff is currently conducting the annual utility service quality review of the 2024 performance data.

Q. What is the annual utility service quality review?

A. Staff conducts an annual utility service quality review that consists of reviewing random data samples from submitted reports of each utility, which Staff then analyzes and compares to identify any discrepancies in the reported data. If discrepancies are found, Staff works with the utility to understand and reconcile the discrepancy. Staff then audits the reported data to determine its authenticity and accuracy by comparing the reported data to the Company's granular data and calculations used to derive the measured results.

Q. Does Staff provide the results in these reviews?

A. Yes. Staff has filed its results in Cases 20-M-0046, 21-M-0046, 22-M-0054, 23-M-0040 and 24-M-0057 for 2019, 2020, 2021, 2022 and 2023 respectively.

Q. Did the Company propose any modifications or recommendations to the current CSPI?

A. The Company did not propose changes to the PSC Complaint Rate or the Customer Satisfaction Survey. However, the Company proposed to reinstate the Terminations and Uncollectibles metric that is currently paused pursuant to the 2023 Order. We will discuss this proposal later in our testimony.

Q. Does the Panel recommend modification to the CSPI?

A. Yes. We recommend modifying the PSC Complaint Rate target. While the Panel does not recommend modifying the metric for customer satisfaction, the Panel recommends the Company switch over to a transaction-based survey, which we will address later in the individual metric sections of our testimony.

Customer Satisfaction Survey Recommendations

Q. Is the Company taking any steps to improve the customer satisfaction survey?

A. According to page 7 of the Direct Testimony of Christine J. Downing, the Company introduced a transaction-based survey that will provide the Company valuable feedback from customers who recently transacted with a Company representative known as the Qualtrics survey.

Q. When did the Company implement the Qualtrics survey?

A. The Company implemented Qualtrics in January 2024.

Q. What is the difference between the Qualtrics and the Luth survey that was utilized previously?

A. According to the Company's response to DPS-369, included in Exhibit__(SCSP-1), Qualtrics is a transaction-based survey that is administered to customers via email once a transaction is completed at the call center. The Qualtrics survey has fewer questions and focuses on customer experience within the call center. The Luth survey is performed on an annual basis and is longer with more questions covering a broader array of subjects such as customer experience, billing and payment options.

Q. Does the Panel recommend changes to the Customer Satisfaction Survey metrics?

A. Yes. The Panel recommends the Commission direct the Company to conduct a one-year benchmarking survey for the Qualtrics survey and report those findings to the Secretary to the Commission.

Q. What is the purpose of conducting a one-year benchmarking survey using the Qualtrics survey?

A. The Qualtrics survey is monthly transaction based and the Company will have access to real-time data more quickly to report to OCS Staff as opposed to the Luth survey, which is performed on an annual basis. The Panel would use the results from the Qualtrics survey to establish targets for future rate years. Until those targets can be established, we recommend requiring the Company to continue to use the Luth survey for its CSPI with the current targets and associated potential NRAs.

PSC Complaint Rate Recommendations

Q. Describe the Panel's traditional methodology for recommending targets.

A. In previous rate cases, the Commission has accepted the data based on historical averages to access whether a utility has provided a satisfactory level of service. To set metric targets, Staff calculates a utility's historical average from either 36 months or 60 months of data depending on the timeframe of the historical data. Staff then sets the initial targets two standard deviations below or above that historical average.

Q. Has the Commission adopted PSC Complaint Rate targets using a different methodology for other utilities?

A. Yes. When a utility’s historical performance is significantly below 1.0, which means the Commission receives very few complaints regarding the utility, the Commission has set an initial target of 1.0 rather than at a lower level indicated by the traditional methodology. For example, the Commission implemented an initial target of 1.0 for O&R even though its actual performance would warrant setting an initial target level below 1.0 under the typical calculation methodology.

Q. What targets does the Panel recommend setting for the PSC Complaint Rate in this proceeding?

A. We recommend adjusting the initial target to 1.0 and incremental targets set at 1.3 and 1.5 for the middle and maximum target levels, respectively, with no change to the current basis point levels which are set at 5, 10 and 15, respectively, as shown in Exhibit__(SCSP-2).

Q. Why are these targets reasonable?

A. Adjusting the targets is warranted in order to keep the metrics relevant and to deter a degradation in customer service. Specifically, the Company has exceeded current targets by a significant margin and the Panel’s recommended targets more closely align with a level of service customers have come to expect from Liberty SLG.

Q. Would the Company have incurred an NRA in the current rate plan with your recommended targets?

A. No. The Company would not have incurred an NRA.

Terminations and Uncollectibles Mechanism

Q. Please explain the incentive mechanism associated with terminations and uncollectibles expense.

A. The incentive mechanism is used to encourage utilities to identify and implement measures to reduce residential service terminations for non-payment while decreasing or maintaining the level of bad debt, or uncollectibles, for customers. Under this mechanism, a utility could earn positive or negative revenue adjustments, depending on its performance regarding certain terminations and/or bad debt expense.

Q. Is this mechanism currently in place at Liberty

SLG?

A. No. As described above the Commission paused this incentive mechanism in the 2023 Order. This pause was due to the service terminations moratoria set forth in amendments to PSL Sections 32, 89-b, 89-1 and 91 during the COVID-19 pandemic, also known as the Parker Mosley Act. Liberty SLG was one of several New York State utilities whose mechanism was paused due to the aforementioned service termination moratorium.

Q. Is this mechanism currently paused at other New York State utilities?

A. Yes. All New York State utilities have been directed by the Commission to pause or suspend the incentive mechanism for termination, uncollectibles, and/or arrearages within their respective rate orders.

Q. What is the Company’s proposal regarding the terminations and uncollectible incentive mechanism?

A. According to the response to DPS-369, included in Exhibit__(SCSP-1), the Company proposes to reinstate the metric to include targets that are set at 422 for terminations and $500,200 for uncollectibles. The Company's proposed uncollectible target level and termination target level are based on the average of the last five years.

Q. How has the Company performed over the past five years with terminations and uncollectibles?

A. According to its response to DPS-369, included in Exhibit__(SCSP-1), the Company completed 294 terminations in 2019, 13 in 2020, zero in 2021, 26 in 2022, 588 in 2023 and 385 in 2024. Uncollectible expense at the end of each year totaled $254,000 in 2019, $56,000 in 2020, $124,767 in 2021, $40,167 in 2022, $16,761 in 2023, and $1,229,951 in 2024.

Q. Why was uncollectible expense so high in 2024?

A. As discussed in the Staff Revenue Requirement Panel, there was a pause in the Company's typical write-off activity from April 2022 to January 2024 while it implemented Systems, Applications and Products, or SAP.

Q. Given the dataset for terminations and uncollectibles, does the Panel agree with the Company's proposal to re-introduce the metric?

A. No. The Panel disagrees with the Company’s proposal to re-introduce the mechanism at this time as we are concerned there is not enough relevant historical data to set appropriate target levels for this mechanism.

Q. What does the Panel recommend for this mechanism?

A. The Panel recommends the Commission continue to pause this mechanism until sufficient data can be used to calculate the metrics.

Q. Please explain the Panel’s recommendation.

A. We are concerned that there is insufficient historical data to set reasonable and achievable targets at this time due to the significant fluctuations in terminations and uncollectibles over the last several years due to the implementation of SAP and the COVID-19 pandemic moratoria on service terminations. However, the Company’s collection practices and strategies should be fully employed, and functioning at the same, or greater capacity than they were pre-pandemic. While we expect net write-offs and terminations to return to pre-pandemic levels, we recommend the Commission allow for additional time following the pandemic for more consistent information and data before implementing or reinstating the Termination/Uncollectibles Incentive Mechanism. Therefore, we recommend continuing the pause in this mechanism in the Rate Year.

Reporting Recommendations

Q. Does the Panel have any additional recommendations?

A. Yes. We recommend the Commission direct the Company to provide the following information: (1) the call answer data, and (2) adjusted bills. First, regarding the call answer data, we recommend the Commission require the Company to file on an ongoing monthly basis in this case number, the following information: (a) the number of calls answered under 30 seconds; (b) the total number of calls requesting a representative; (c) the duration of the time that customers are on hold waiting to speak with a representative after 30 seconds have lapsed; and (d) the number of calls rejected by the Company's interactive voice response system due to large call volume. This data will help Staff better understand if customers' calls are being answered in a timely matter and will help Staff understand the length of hold time experienced by customers.

Q. What is the Panel's recommendation regarding adjusted bills?

A. With regard to adjusted bills, we recommend the Commission require the Company to file on a monthly basis in this case number the following information: (a) number of adjusted customer bills and (b) the reasoning for adjustment of customer bills. This data will help OCS Staff better understand the frequency with which the Company has to adjust customer bills and allow Staff to monitor the accuracy of the Company's Customer Information System.

<u>Missed Appointment Credit</u>

Q. Please explain the missed appointment credit.

A. The utility will apply a credit to a customer's account when the utility schedules an appointment for a specific date and timeframe at the customer's premises, but fails to arrive at the customer's premises during the designated timeframe. For utilities that currently provide such credits, the credit ranges from $20 to $50.

Q. What utilities provide missed appointment credit to customers?

A. The utilities that provide missed appointment credit to customers are Central Hudson, Con Edison, Corning, KEDLI, KEDNY, Liberty NY Water, Niagara Mohawk, O&R, NYSEG, and RG&E.

Q. Why do utilities offer missed appointment credits to customers?

A. A missed appointment can have a significant impact on customers who may rearrange their schedules and take time away from work to keep these appointments. Keeping appointments is a key factor in maintaining safe provision of service, particularly in cases where the customer requests a service call related to possible safety or meter accuracy issues. Even when utilities are not required to offer missed appointment credits, as a general business practice, the Company should not miss customer appointments.

Q. Does the Company offer a missed appointment credit?

A. No. According to the response to DPS-472, included in Exhibit__(SCSP-1), the Company does not offer a missed appointment credit.

Q. Does the Company track missed appointments?

A. No. According to the Company response to DPS-507, included in Exhibit__(SCSP-1), it does not track missed appointments.

Q. Does the Panel have a recommendation for the missed appointment credit?

A. Yes. The Panel recommends the Commission direct the Company to implement a missed appointment credit as a sign of goodwill between the Company and the customer.

Q. What credit amount does the Panel recommend?

A. We recommend the Company provide a $25 missed appointment credit which is consistent with the credit amount that other utilities provide for missed appointments. However, the associated cost should not be recovered from ratepayers; thus, Staff recommends this cost be borne by shareholders. Also, this would be similar to the credit provided to customers in accordance with HEFPA, as adopted in the Commission regulations at Title 16 of the New York Code Rules and Regulations Section 11.3, if an electric or gas utility fails to provide service to a residential customer within five business days of an application for service.

Q. Does the Panel have any additional recommendations?

A. Yes. In response to DPS-507, included in Exhibit__(SCSP-1), the Company states that it does not track missed appointments; therefore, the Panel recommends the Commission direct the Company to track missed appointments on a monthly basis and provide a report to the Secretary to the Commission on a monthly basis beginning 60 days after issuance of an order setting rates in this proceeding. These reports should also include the number of customers provided with a missed appointment credit and the total dollar amount of missed appointment credits provided to customers. In addition, the Panel recommends the Commission direct the Company to enhance its outreach materials and website to raise awareness about the $25 credit for customers if the Company misses an appointment. Additionally, the Panel recommends the Commission direct the Company to file its revised or new outreach materials within 60 days of issuance of a Commission order setting rates in this proceeding.

Monthly Collections Reports

Q. Does the Company provide monthly collection activity reports, which include information about terminations, arrears, uncollectibles and customer preferred payment agreements?

A. No.

Q. Do other utilities in New York State provide the above-mentioned information to the Commission?

A. Yes. As part of the Commission Order adopted on December 27, 1995, in Case 91-M-0744, Proceeding on Motion of the Commission to Examine Collection Practices of the Major Gas and Electric Utilities in New York State to Identify Ways to Reduce Losses due to Uncollectibles while Maintaining a High Level of Customer Service, referred to as the 1995 Order. The Commission required major utilities to file monthly collections reports for both residential and non-residential customer with OCS. These include reporting on arrears, final termination notice sent, terminations, Deferred Payment

Agreements, Residential and Non-Residential Sales, and uncollectibles. A sample report is provided in Exhibit__(SCSP-3).

Q. Does the Panel recommend the Company file these reports monthly.

A. Yes. In the 1995 Order, the Commission did not address Liberty SLG; however, having this information from utilities across New York, including Liberty SLG, is necessary to ensure appropriate oversight. Accordingly, the Panel recommends the Commission direct the Company to file these reports monthly to be in line with other New York State utilities. The information provided by the Company will help OCS Staff track the Company's collection activity data. This will also assist OCS Staff to identify performance trends such as increasing or decreasing terminations, uncollectibles, deferred payment agreements and sales the Company made in the past month.

Q. Does the Panel have additional recommendations?

A. The Panel recommends the Commission direct the Company to file these monthly reports with the Secretary no later than the 15th of each month starting 60 days after an issuance of an order setting rates in this proceeding.

Low-Income Program

Q. Describe the importance of energy affordability programs for low-income customers.

A. Low-income households have a disproportionate energy burden compared to middle and upper-income households. According to the Commission's Order Adopting Low-Income Program Modifications and Directing Utility Filings issued May 20, 2016, in Case 14-M-0565, which we will refer to as the May 2016 Low Income Order, the energy burden increases as the annual income of a household decreases. This energy burden for low-income customers can range between 12 and 41 percent of household income, while customers in the middle- and upper- income classes generally have energy burdens ranging from one to five percent. The May 2016 Low Income Order established a six percent energy burden goal for low-income customers, or three percent for each electric and gas service. The Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings issued August 12, 2021, in Case 14-M-0565, which we refer to as the August 2021 EAP Order, reaffirmed a six percent energy burden goal for low-income customers. The Commission has recognized the need to support energy affordability programs for low-income customers in each of the major investor-owned utility service territories. While the Commission did not explicitly define the requirements of the May 2016 Low Income Order and August 2021 EAP Order for utilities with a customer base of 25,000 or less, like Liberty SLG, these Orders provide guidance that can assist with aligning Liberty SLG's program with the statewide objectives of utility energy affordability programs, to the extent practicable for a small utility.

Q. Describe the Company's low-income program.

A. As part of the Joint Proposal adopted in the 2023 Order, the Commission adopted the low-income program that was funded at $351,459, $399,708, and $452,674 for each of the rate years, respectively. The 2023 Order also created a four-tier monthly discount structure and provided a one-time waiver of the reconnection fee annually for low-income customers similar to other New York State utilities.

Q. What are the current eligibility requirements for enrollment in the Company’s low-income program?

A. Customers are automatically enrolled in the Company’s low-income program when Liberty SLG receives a Home Energy Assistance Program, or HEAP, grant on a customer’s behalf. HEAP is administered by the New York State Office of Temporary and Disability Assistance, or OTDA, and provides grants to income-eligible customers prior to and during the heating season.

Q. Please describe the HEAP grant structure.

A. Customers qualify for a regular HEAP benefit based on several criteria: if their household’s gross monthly income is below the income limits established by OTDA; if their primary heat source is electricity or natural gas; and if the customer makes direct payments based on their household’s actual usage to a vendor. Certain recipients also qualify for one add-on to the regular HEAP benefit if their household income levels are at or below 130 percent of the federal poverty level, or if the household has at least one adult in the home who receives assistance through either Temporary Assistance, Supplemental Nutrition Assistance Program, or Supplemental Security Income. HEAP recipients may also receive an additional or second add-on to their regular HEAP benefits if a member of the household is 60 years old or older, permanently disabled, or under six years old. Per page 9 of the initial testimony of Christine J. Downing, Liberty SLG determines eligibility and enrolls customers in an applicable tier based on the receipt of the regular HEAP benefit, and one or two add-ons.

Q. How many customers participate in the Company's Low-Income Program?

A. According to the Company's recent Low-Income Program Annual Report filed on December 31, 2024, in Case 21-G-0577, the total number of program participants was 1,687 with 121 customers in Tier 1,585 customers in Tier 2, 973 customers in Tier 3, and eight customers in Tier

4.

Q. What are the current monthly discounts?

A. The current monthly discounts are $5.00 for Tier 1, $13.05 for Tier 2, $29.21 for Tier 3, and $21.99 for Tier 4.

Q. Did the Company propose any modifications to the current low-income program?

A. Yes. On pages 10 to 11 in the initial testimony of Christine J. Downing, the Company proposes to increase the monthly discounts and the budget.

Q. What is the Company proposing for a budget increase.

A. The Company is proposing a budget increase from $452,674 to $486,204.

Q. What are the increased tier discount amounts the Company is proposing in this proceeding?

A. The Company proposes to increase the monthly discounts to $7.00 for Tier 1, $15.00 for Tier 2, $35.00 for Tier 3, and $25.00 for Tier 4.

Q. Describe the calculation methodology the Company used to calculate the proposed monthly discounts?

A. According to the Company's response to DPS-455, included in Exhibit__(SCSP-1), the Company calculated the discounts by multiplying customer usage by the proposed structure tier. The Company then compared the resulting average monthly bill to the maximum gross monthly income as defined by OTDA.

Q. What are the resulting energy burdens using the Company's proposed discounts for each Tier group?

A. According to the Company response to DPS-258, included in Exhibit__(SCSP-1), the energy burdens are 2.7 percent, 3.6 percent, 4.0 percent and 3.1 percent for Tiers 1 through 4, respectively.

Q. Does the Panel agree with the Company's proposed discount amounts?

A. No. We do not agree with increasing the discounts for Tiers 1 and 4. As discussed previously, the energy burdens for Tiers 1 and 4 are lower than Tiers 2 and 3 which are the more vulnerable customer groups. In fact, according to the Company response discussed previously Tier 1 is below the three percent energy burden which indicates an increase to that discount is not needed. Further, we do agree with an increase to the Tiers 2 and 3 discounts, however, modified from the Company's proposed amount. The Panel recommends the increased funds be allocated to Tiers 2 and 3 to lower those customers' energy burdens.

Q. What discounts does the Panel recommend?

A. As shown in Exhibit__(SCSP-4), we recommend the Commission direct the Company to increase Tiers 2 and 3 discounts and maintain the other tiers at their current amount. Specifically, the recommended discounts are as follows: Tier 1 at $5.00; Tier 2 at $14.73; Tier 3 at $39.50, and Tier 4 at $21.99.

Q. Provide the energy burden percentages using Staff's recommended revenue requirement and current discounts.

A. Using Staff's recommended revenue requirement and maintaining the current discount levels, the Panel calculated the following energy burdens for Tiers 1 through 4 at 2.6 percent, 3.4 percent, 3.9 percent, and 2.9 percent, respectively.

Q. Describe the energy burden impact using the

Panel's recommended discount amounts and Staff's recommended revenue requirement.

A. The only material impact is to the Tier 3 energy burden. This is reduced from 3.9 percent to 3.4 percent which is equal to the Tier 2 energy burden. This improvement to Tier 3 brings those customers' energy burden closer to the Commission's three percent energy burden goal for low-income customers.

Q. What is the resulting budget for the low-income program?

A. Consistent with the EAP established in the May 2016 Low Income Order, the low-income budgets are determined by estimating the aggregated discounts expected to be dispensed for a program or the sum of the products of participants times the monthly discount multiplied by 12. Therefore, the Panel recommends increasing the low-income annual budget to approximately $574,000 or an increase of approximately $88,000 from what is currently in rates. This is included in Exhibit__(SCSP-4).

Q. Does the Panel recommend any adjustments to the Company proposed amortization of its low-income deferral?

A. Yes. As discussed in more detail in the Staff Revenue Requirement Panel, Staff is recommending amortizing the deferred amount of $103,327 over three years, or $34,453 in in the Rate Year related to the reconciliation of low-income program spending in prior years to offset the budget increase in the Rate Year.

Q. Does the Panel have any other recommendations regarding fees charged to customers enrolled in the Company’s low-income program?

A. Yes. The Panel recommends the Company continue to grant customers enrolled in the low-income program a one-time per year reconnection fee waiver for service disconnections due to non-payment. Low-income customers are already financially vulnerable and continuing the reconnect fee waiver will help lessen the burden for low-income customers in such circumstances.

Q. Does the Panel have any additional recommendations?

A. Yes. The Panel recommends the Commission direct the Company to continue filing annual low-income reports. We recommend the reports include: (a) participant totals separated by tier; (b) new participants; (c) participant reconnection fee waiver; (d) participant arrears; (e) termination notices sent to participants; (f) amount budgeted and actual spending for the program; and (g) amount of participant uncollectibles. The Commission should require the Company to continue to file this report by December 31 of each calendar year. This report would present information related to the previous rate year.

Arrears Management Program

Q. Describe the Company's proposed Arrears Management Program, or AMP.

A. The Company proposed an AMP that provides an arrearage forgiveness monthly credit for eligible low-income customers.

Q. Describe the eligibility criteria to enroll in the Company's AMP.

A. The Company proposed that potential participants must be residential customers of record with a minimum balance of $300 that is at least 45 days in arrears, enrolled in an eligible New York State governmental assistance program, and enrolled in the Company's budget billing program.

Q. Describe what budget billing is for customers.

A. In accordance with HEFPA, as adopted in the Commission regulations at Title 16 of the New York Code Rules and Regulations Section 11.11, budget billing is a 12-month voluntary plan that is based on customer 12-month historical data to set a budget amount for customers to pay

Q. Explain the eligibility requirements to receive the arrearage forgiveness monthly credit.

A. Enrolled participants who are current on making timely budget billing payments can receive up to $100 in arrears forgiveness monthly.

Q. Explain if there is a cap associated with this program?

A. No, the Company did not propose a cap on this program. Eligible customers may receive up to $1200 in arrearage forgiveness credits annually provided they meet all the eligibility requirements. For example, if a customer could have an arrears balance of $2,200 at the time of enrollment in the AMP program, the customer would receive an AMP credit of $100 per month for each timely budget payment, which would make the customer eligible to forgive the arrears in 22 months.

Q. Describe how customers could be disenrolled from the AMP.

A. Customers would be disenrolled if they are no longer enrolled in a New York State governmental assistance program such as HEAP, or if a customer fails to pay their agreed budget billing installment payment.

Q. Explain whether a customer who is disenrolled from AMP is eligible to reapply.

A. Customers who are disenrolled are eligible to reapply and may be reinstated one time only if all missed and current payments are made.

Q. Did the Company provide an estimate of how many customers would qualify for the AMP?

A. On page 15 of the direct testimony of Christine J. Downing, the Company estimates that 232 of its customers meet the eligibility requirements.

Q. How did the Company determine that 232 of its customers would meet the eligibility criteria?

A. According to the Company response to DPS-317, included in Exhibit__(SCSP-1), the Company extracted a list of low-income customers in arrears of $300 or more or are currently 30 days past due or more on their bills. However, the Panel recognizes the Company's response references customers with 30 days past due as opposed to the Company's proposed 45 days for eligibility indicating the eligible customer group may be less than what the Company provided in response to DPS-317.

Q. Why is the Company proposing the AMP in this proceeding?

A. According to page 12 of the direct testimony of Christine J. Downing, the Company is proposing the AMP to offer low-income customers an opportunity to resolve their arrears — easing the financial burden of the Company's most vulnerable population.

Q. Did the Company provide the cost for implementation of the AMP program?

A. Yes. According to pages 15 and 16 of the direct testimony of Christine J. Downing, the Company estimates the cost of the AMP to be $72,912 for forgiveness of qualifying arrearage amounts, which includes $1,000 for customer communications. In addition, the Company also forecasted $25,000 for IT related capital costs. Moreover, The Company proposes to track AMP forgiveness and communication costs and fully reconcile actual forgiveness and communication expenses to the amount included in base rates and defer any difference, which will be addressed in a future rate proceeding.

Q. How did the Company estimate the cost for the AMP program?

A. According to the Company's response to DPS-317, included in Exhibit__(SCSP-1), the Company determined the $72,912 for the forgiveness amount based on the current total arrears for the eligible customers. The Company estimated the communications cost based on direct mail communications and text and phone calls. The IT costs reflect system programming, configuration, testing and quality assurance.

Q. Would customers enrolled in the AMP be protected from service terminations?

A. Pages 12 through 14 in the direct testimony of Christine J. Downing states that a customer would be protected from service termination while on the program, but if they fail to pay their agreed budget bill installment they could be removed from the program and subject to disconnection of service at that point. Customers may be reinstated as discussed above.

Q. What does the OTDA require for its Emergency HEAP program eligibility?

A. According to the most recent HEAP Manual published in 2021 at Chapter 10(B)(b)(1), the eligibility for Emergency HEAP requires, among other things, a customer being at risk of service termination.

Q. Does the Panel have concerns regarding AMP participants in relation to Emergency HEAP eligibility?

A. Yes. A customer who participates in the Company's AMP is considered in good standing and therefore not at risk for service termination. In response to DPS-463, included in Exhibit__(SCSP-1), the Company recognizes the potential unintended risk of a customer losing their eligibility for an Emergency HEAP benefit if the account is auto-enrolled in the AMP program and thus, is in good standing and not at risk for service disconnection.

Q. Did the Company include a proposal in testimony to address this issue?

A. No. However, in response to DPS-463, included in Exhibit__(SCSP-1), the Company offered the following suggestions to address the issue. First, the Company could remove a customer’s account from AMP if the customer’s balance, under AMP exceeds the Emergency HEAP benefit enabling a customer to receive a disconnect notice. Second, if a customer’s balance is less than the Emergency HEAP amount, the Company could remove the customer from the AMP to allow the emergency benefit to cover the remaining charges. Third, the Company could also establish a review process to proactively contact all customers enrolled in AMP who have not received an Emergency HEAP benefit and review each account on a case-by-case basis with the goal of maximining assistance to customers.

Q. Did the Company provide other suggestions for the AMP program?

A. Yes. According to the Company response to DPS-463, Exhibit__(SCSP-1), the Company is willing to increase the one-time reinstatement if a customer misses a payment, while the customer applies for Emergency HEAP, to remain on the AMP program.

Q. Has the Company developed an Outreach and Education, or O&E, plan and materials for the proposed AMP program?

A. No. In response to DPS-332, included in Exhibit__(SCSP-1), the Company explained that it has not yet developed an O&E plan or materials that could be provided to the Panel. However, it does expect to have targeted communications to eligible customers that would include direct emails, text messages, and phone calls, and for which the Company budgeted $1,000. If it elects to do direct mailings, the Company explained that it would require an additional $870 cost for the cost of three direct mailings, which the Company calculated for the 232 eligible customers at a cost of $1.25 per mailing for material and postage.

Q. Does the Panel have recommendations regarding the Company's proposed AMP?

A. The Panel is generally supportive of the Company's proposed AMP. However, we have concerns regarding customers' inability to receive Emergency HEAP while enrolled in the AMP. Accordingly, we recommend the Commission direct the Company to develop an implementation plan detailing, at a minimum, compliance with customer protections contained in the PSL and Commission regulations, program components, customer communications, solutions to the Emergency HEAP issue. Additionally, as part of the Company's implementation plan, we recommend the Commission require the Company to propose how the Company plans on reporting the following: 1) number of participants and associated amount of arrears forgiven; 2) number of customers disenrolled and reason why they were disenrolled, not Emergency HEAP related; 3) number of customers disenrolled for Emergency HEAP purposes; and 4) number of customers reinstated that received Emergency HEAP. The Panel also recommends the Commission direct the Company to modify the arrears timeframe eligibility from the Company-proposed 45 days of arrears to 60 days of arrears. This would provide an appropriate timeframe to allow for collection activities on past due amounts. The Panel recommends the Commission direct the Company to file the implementation plan for Commission consideration discussed previously within 60 days after an issuance of an order setting rates in this proceeding.

Q. Does the Panel have a recommendation regarding the Company's proposal to reconcile the AMP costs?

A. Yes. The Panel recommends that the Company should only reconcile the amount for arrears forgiven, and exclude the Company's estimated $1,000 in communication costs. The communication costs generally fall into a general outreach category. Since the Company's general outreach costs are not reconciled, the treatment of cost with the AMP should be consistent with this treatment.

Outreach and Education

Q. Describe the Commission's requirements for utilities' annual O&E plans.

A. Pursuant to the Commission's Order Continuing Reporting Requirements in Cases 96-M-0706, et al., issued on November 13, 1997, or the O&E

Order, the Commission requires each utility to file an annual O&E plan detailing its efforts to educate customers about utility service. The O&E Order continued outreach and education reporting requirements it first implemented in 1988.

Q. Summarize the content provided and topics covered in the O&E plan filed by the Company, including the advertising messages and campaigns that the Company carried out.

A. The Company filed its 2024 O&E plan on April 1, 2024, under Case 17-M-0475. The Company also provided additional information in its responses to DPS-60, DPS-331, and DPS-506, included in Exhibit__(SCSP-1). The Company's 2024 O&E plan includes information pertaining to its 2024 actual expenditures and planned budget, as well as information on topics such as billing services and payment alternatives, metering, winter heating season customer rights and responsibilities of customers, and natural gas safety and planning.

Q. Did the Company propose modifications to its O&E program?

A. No. However, Staff reviews the utilities' O&E plans in every major rate case to ensure utility outreach programs are aligned with policies the Commission adopts, and that the utility program information is accessible to all customers, including those in disadvantaged communities.

Q. Did the Panel examine the Company's 2024 O&E plan?

A. Yes. We reviewed the Company's 2024 outreach programs, budgets, and actual expenditures.

Q. What O&E topics will the Panel discuss in this testimony?

A. We will address the Company's outreach budget, low-income and disadvantaged communities outreach, language access, promotion and advertising of gas expansion, and energy efficiency.

Q. How does the Company's actual O&E expense compare to budget amounts as filed in its annual O&E plans?

A. In response to DPS-331, included in Exhibit__(SCSP-1), the Company provided its O&E budgets of $59,958 for 2023 and $67,560 for 2024 as well as its actual expenses, which were initially reported as underspent in annual O&E filings in 2023 and 2024 by 54.55 percent and 63.64 percent, respectively. The Company provided an updated report on costs indicating that $68,856.31 was spent in 2023 and $71,157.47 was spent in 2024.

Q. What explanation did the Company provide for initially reporting the budget as underspent?

A. In response to DPS-331, included in Exhibit__(SCSP-1), the Company stated that there were cost reductions for Informational Advertising as a result of shifting communications from billing inserts, a separate document with a message sent to the customer that accompanies a bill, to onserts, which have the messages on the same or reverse side of the bill within the same document. In addition, the Company reduced print newsletters sent to customers from six to four in 2023 and eliminated them altogether in 2024 in favor of transmitting these newsletters via emails and bill onserts.

Q. Were there additional discrepancies that the Panel found when reviewing the Company’s O&E

budget and expenses for 2023 and 2024?

A. Yes. In responses to DPS-331 and DPS-506, included in Exhibit__(SCSP-1), the Company explained that it had two different budgets related to O&E that are managed by two separate divisions. The Company's Communications and Marketing Department handles the Informational Advertising budget, which is focused on customer service, energy affordability, energy efficiency, seasonal communications, and service-related communications. The Company's Operations Department handles the Public Awareness Supplemental advertising budget, which is focused on gas safety and trainings. However, the Company's April 2024 O&E filing indicates that the Company did not properly report the latter budget and expenses in its 2024 O&E budget and spending. Rather, the Company was reporting only Informational Advertising under O&E spending as explained in the Company's response to DPS-331.

Q. What is the Panel's recommendation regarding how the Company reports and files its O&E budgeting and spending?

A. The Panel recommends that the Commission direct the Company to devise one budget for O&E and one report for O&E spending to be filed annually in its annual outreach and education report utilizing the Commission's Estimated Outreach & Education Budget Template, included in Exhibit__(SCSP-5). This filing should include an itemized breakdown by category of all expenses for advertising and outreach for the entire Company utilizing the aforementioned budget template.

Q. Does the Company's O&E program include a low-income outreach component?

A. Yes. However, in the April 2024 O&E filing, the Company did not fill out page 33 titled Energy Service Affordability and instead refers the reader to review the Winter Heating and Price Volatility sections of the plan for the requested information.

Q. What does the Company provide regarding its Winter Heating and Price Volatility communications?

A. The Company's Winter Seasonal communications include direct emails to customers as well as messages on bills in November to inform customers of HEAP opening and in February of HEAP benefits being available and direct customers to contact their local Social Services Department. Per the Company’s response to DPS-506, included in Exhibit__(SCSP-1), there were eight monthly digital advertising campaigns covering Financial Assistance/Help and Taking Control of Your Bills on Google, Facebook, and other social media sites as well as a dedicated section on the Company’s website.

Q. What does the Panel recommend regarding the Company’s low-income outreach in the Company’s O&E plan?

A. The Panel recommends that the Commission direct the Company to detail all aspects of its planned low-income outreach in the Energy Service Affordability section of its O&E filing, including costs for all items and materials to be distributed to customers.

Q. Does the Company plan events and execute outreach targeted to low-income customers and those located within disadvantaged communities?

A. The Company’s response to DPS-331, included in

Exhibit__(SCSP-1), indicates that the Company only participated in one event targeted to low-income and elderly customers out of nine outreach events in 2023, and two out of five outreach events in 2024. In response to DPS-506, included in Exhibit__(SCSP-1), the Company stated that one out of 11 outreach events currently planned in 2025 will be targeted to elderly and low-income customers. The Company failed to offer any kind of focus or strategy targeted to customers residing in disadvantaged communities in its 2024 O&E plan, in its CLCPA Panel testimony, or in its response to DPS-333, included in Exhibit__(SCSP-1).

Q. What does the Panel recommend regarding the Company's outreach and education targeted to low-income customers and customers residing within disadvantaged communities?

A. The Panel recommends that the Commission direct the Company to enhance its outreach targeted to low-income, elderly customers, and customers located within disadvantaged communities, including the creation and implementation of a specific strategy and focus tailored to those customers and included in the Company's annual O&E filing.

Q. Do other utilities provide low-income outreach?

A. Yes. All major electric and gas utilities conduct low-income outreach and education, which is detailed in their annual O&E plans.

Q. Why is it important to have outreach for the Company's low-income customers?

A. It is crucial for the Company to make efforts to ensure that low-income customers are aware of the financial assistance options available to assist them with their energy bills. To do so, the Company must be able to reach and inform them as some may not have access to or the ability to use the internet or smart phones.

Q. What percentage of low-income customers did the Company estimate to be eligible for HEAP?

A. On Page 7 of the Company's 2024 O&E filing, the Company estimated that 1,819 low-income customers are eligible for HEAP, over 12 percent of the Company's reported 15,038 open residential accounts. However, according to the direct testimony of Christine J. Downing, 1,511 customers were enrolled in the Company's Low-

Income Discount Program in 2024, indicating that there are additional customers that the Company can potentially enroll in its program. Therefore, outreach is critical to reach those customers who may be eligible for the program.

Q. What does the Panel recommend regarding low-income outreach and enrollment in the Company's O&E program?

A. The Panel recommends that the Commission direct the Company to include in the Energy Service Affordability section of its O&E plan a detailed plan on how the Company expects to increase enrollment in the low-income program and reach a greater number of eligible customers through strategies, such as a heightened focus on targeting low-income customers at outreach events.

Language Access

Q. Does the Company offer outreach materials that are translated into the top spoken languages in its service territory?

A. The Company confirmed in response to DPS-333, included in Exhibit__(SCSP-1), that translated outreach materials are not mailed. However, customers are directed to the Company’s website, which recently added a Rights and Responsibilities brochure in Spanish as well as Scratch and Sniff and Pipeline Safety Awareness brochures that are translated in numerous languages.

Q. What does the Panel recommend regarding translation of Outreach & Education materials?

A. The Panel recommends that the Commission direct the Company to make available to customers any essential materials pertaining to affordability programs, financial assistance, safety, and the Rights & Responsibilities brochure to customers in German, Pennsylvania German, Dutch, and Spanish. Per the New York State Language Access Dashboard provided by the Office of General Services, there are 2,505 Limited English Proficiency residents in St. Lawrence County, the most populous and diverse county within the Company’s service territory. This includes 672 residents that speak German, 434 residents that speak Pennsylvania German, 370 residents that speak Dutch, and 337 residents that speak Spanish. It is critical that customers have access to materials that they can read and understand any options for payments or services and assistance that are available to them.

Energy Efficiency

Q. How does the Company promote energy efficiency?

A. According to the Company's 2024 annual O&E filing, customers are directed to the Company website, where they can find energy saving tips and manufacturer rebates offered on energy efficient products for both residential and commercial customers.

Q. Does the Company provide prospective customers information on clean energy alternatives?

A. Yes. As provided by the Company in response to DPS-334, when the Company sends a Gas Service Requirements Agreement for customers applying for new service to sign, it contains an New York State Clean Energy Information section with links directing them to National Grid for Electric Heating and Cooling resources. It also provides references to New York State Research and Development Authority resources regarding incentives and financing, including tax credits for solar energy and Energy Storage programs and incentives and an email address to contact the Authority. The Panel recommends this information continue to be filed in the Company's O&E plan.

Gas Expansion Outreach

Q. Does the Panel have concerns regarding the Company's promotion and advertising of gas expansion to potential customers?

A. Yes, the Panel has concerns regarding the Company's promotion of gas expansion as well as how the Company recovers the costs associated with said advertising.

Q. Does the Company utilize the O&E budget to promote the expansion of natural gas?

A. In its responses to DPS-60, DPS-334, and DPS-331, included in Exhibit___(SCSP-1), the Company stated that there was no reported spending of O&E funds to advertise the expansion of natural gas since 2021. However, per the Company's response to DPS-334, included in Exhibit__(SCSP-1), the Company explains that it sends surveys to prospective customers to determine which areas are best suited for natural gas expansion.

The Company’s website also includes webpages titled “Why Natural Gas,” and “Cost Comparison/Cost Savings Calculator” and directs customers to check if they are located within the Company’s service territory and provides a phone number for potential applicants to contact to find more information about natural gas service for their property.

Q. How does the Company account for the costs related to advertising for gas expansion?

A. Per the Company’s response to DPS-572, included in Exhibit__(SCSP-1), the Company explains that it uses local resources and does not track the costs incurred from developing and distributing the gas expansion surveys. The Company also claims that there have been minimal changes to its website since inception and that costs related to making said changes are not tracked.

Q. What does the Panel recommend regarding the Company’s advertising of gas expansion?

A. The Panel recommends that the Commission direct the Company to track and report all expenses incurred for the promotion and advertising of gas expansion via surveys, the Company’s website, social media, or any additional methods and platforms utilized to promote natural gas expansion. The Panel also recommends the Commission direct the Company to defer any costs recovered from ratepayers during the Rate Year that are associated with advertising gas expansion.

Levelized Billing Plan

Q. Describe the Company's current budget billing process.

A. According to the Company's response to DPS-535, which we include in Exhibit__(SCSP-1), the Company currently calculates a budget bill amount for a customer based on the prior 12-month average usage. The Company recalculates the budget billing amount the following March using the then most recent 12-month usage data. For the 12-month budget billing period, the Company reconciles the customer's budget bill payments with actual costs incurred and the customer pays the difference of any underpaid amounts or is credited for overpaid amounts.

Q. Describe the Company's proposed levelized billing plan.

A. On page 18 of Christine J. Downing's direct testimony, the levelized billing plan is designed to reduce fluctuations in a customer's bill payments due to varying but predictable patterns of consumption. To achieve this, the Company is proposing monthly recalculations using the most recent 12-month usage date. Currently, the Company has a similar levelized billing payment plan for its commercial customers.

Q. Did the Company provide an example of a levelized billing payment plan?

A. Yes. According to the Company's response to DPS-262, included in Exhibit__(SCSP-1), the levelized billing payment plan would be spread over the course of 12 months, but vary with customer payments. In this plan a customer could be billed $130.26 but pay a levelized monthly installment of $90.00 with a difference of $40.26. Customers can also be billed at $38.19 and pay a levelized monthly installment of $90.00 leaving a difference of negative $46.19.

Q. Does the proposed Levelized Billing Plan include a reconciliation that compares payments made to actual costs?

A. According to the Company’s response to DPS-262, included in Exhibit__(SCSP-1), the Levelized Billing Plan does not include a reconciliation for the 12-month period.

Q. Does HEFPA allow for residential customers to enroll in a levelized payment plan?

A. Yes. HEFPA, as adopted in the Commission’s regulations at Title 16 of the New York Codes, Rules and Regulations Section 11.11 allows for levelized payment plans for residential customer as long as a customer bill clearly identifies consumption and states the amount that would be due without a levelized payment plan.

Q. Does the Panel have any recommendations for the Company’s proposed levelized payment plan?

A. Yes. The Panel recommends the Commission direct the Company to develop messaging that details the levelized billing processes and procedures for customer awareness and understanding to be submitted for the Panel review 60 days after an issuance of an order in this proceeding. The messaging should include the difference between budget billing and a levelized payment plan, highlighting how each plan would true up payments verses actual customer charges.

Cold Weather Protection

Q. Does the Company have any cold weather protections?

A. Yes. According to the Company's response to DPS-328, included in Exhibit__(SCSP-1), the Company suspends service disconnections for the day if the temperature is below 20 degrees Fahrenheit at 9:00 a.m. that day. In the Company's response to DPS-555 to Exhibit__(SCSP-1), the Company explains that it provides additional protections such as contacting customers by phone 72 hours before disconnection. If no contact is made the Company will send a technician to the customers residence asking if they have alternative heat such as space heater or a wood stove. The Company will also ask if the customer has a safe place to go and depending on the response to those questions the technician will decide whether to proceed with the service termination.

Q. How did the Company determine 20 degrees as a threshold for not disconnecting customers?

A. According to the Company response to DPS-561, included in Exhibit__(SCSP-1), the Company determined 20 degrees as it is the average temperature across the service territory over a five-year period in the winter months.

Q. Does the Panel recommend any changes to the cold weather protections?

A. Yes. We recommend the Commission direct the Company to extend the number of days the Company will suspend service disconnections. Specifically, we recommend the Commission require that, when the National Weather Service forecasts a high temperature of 20 degrees Fahrenheit or lower for a specific day, the Company suspend service disconnections for that day and one calendar day beforehand. This adds an additional protection to customers by giving them an extra day to protect customers health and safety during periods of extreme cold. The extra day could also help customer make a payment to avoid service termination or find accommodations. We also recommend the Commission direct the Company to contact the

Director of OCS 24 hours in advance on days where the cold weather protections are triggered. This provides the Department’s call center staff awareness of such changes in order to adequately address any consumer inquiries.

Q. Does that conclude your testimony?

A. Yes.