
# RETAIL ACCESS SYSTEM MODERNIZATION

# BUSINESS PLAN

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

**DECEMBER 2024**

# Contents

# EXECUTIVE SUMMARY

Consolidated Edison Company of New York, Inc. ("Con Edison," "CECONY," or the "Company") embarked on the pre-implementation planning phase of its Retail Access System Modernization effort in 2024 to enhance its current retail access systems – the Retail Access Information System ("RAIS") and the retail choice components of the Transportation Customer Information System ("TCIS"). While this Business Plan is being filed by Con Edison, it will be jointly funded by and will benefit both Con Edison and Orange and Rockland Utilities ("O&R").

A retail access system provides the technological capability for delivering high-quality service to customers and market providers ("Stakeholders") so that customers can choose their electricity and natural gas supplier from a competitive market. Recognizing that energy choice remains an important option for customers in Con Edison's and O&R's service territories, the Company is committed to meeting New York State's retail choice mandates and enabling customers to select an energy provider that provides renewable, as well as traditional, energy supply. The Company's long-range plans continue to emphasize customer expectations amid dynamic changes in technology and the marketplace. Overlaying this shift in customer expectations are New York's energy policy initiatives, which include the pursuit of achieving 70 percent of its electricity from renewable sources by 2030 and a zero-emission electric grid by 2040, known as the New York Clean Energy Standard.[1]

This effort is focused on several key requirements. First, understanding the requirements of Stakeholders such as energy service companies ("ESCOs") requires defining the strengths and challenges of the Company's current systems. Additionally, it is essential to identify design requirements that satisfy the needs of key Stakeholders and enable the Company to meet regulatory demands. Analysis and establishment of technology solutions to meet these requirements are equally important. Lastly, incorporating a comprehensive analysis into a formal Business Plan—including key activities to design, build, and deploy the selected retail

[1] New York State Energy Research and Development Authority, "Clean Energy Standard" https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Standard/.

choice technology, develop an implementation plan, and identify projected costs and benefits—is foundational to the Retail Access System Modernization effort.

The New York State Public Service Commission's ("PSC") July 2023 *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements* ("2023 Rate Order") directed Con Edison to file a Business Plan with the PSC and "engage and consider Stakeholder feedback related to its replacement of its Retail Access Information System and draft Business Plan." [2] The Company has implemented a comprehensive engagement strategy with Stakeholders, including quarterly meetings to update Stakeholders on project developments and foster dialogue. Con Edison has also held smaller focus groups with select Stakeholders to gather feedback and gain a deeper understanding of their technological needs. To complement these efforts, Con Edison has conducted three surveys to gather Stakeholder input on its proposed retail access technology plans and feedback on its Business Plan. The Company has reviewed this input and integrated it, where possible, into its overall program strategy. Stakeholder engagement has enabled the Company to develop a robust list of requirements for its future state retail access technology and identify a technology solution that will address many of the Stakeholders' key needs in working with the Company.

The Company initiated a pre-implementation planning effort in Q1 2024 to conduct a thorough evaluation of its current retail access systems to identify opportunities for improvements in features and functionality. Complex business rules and requirements, growth in volume of transactions, and aging technology have caused more frequent issues with retail access transactions, making it more difficult for Company information technology personnel to identify points of failure. During its pre-implementation planning effort, the Company evaluated a number of solutions, considering cost factors and associated risks, to address the identified business requirements and Stakeholder pain points, including implementation of a commercial off-the-shelf ("COTS") vendor product and the modernization of its existing Retail Access applications. This robust evaluation identified the need for extensive customization of the COTS product, which would require substantial configuration and modifications to the Company's recently implemented Oracle Customer Care and Billing ("CC&B") system. The

[2] Cases 22-E-0064 and 22-G-0065, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements, p. 52.

modernization of the Company's Retail Access systems mitigates the risks associated with customizing a new COTS product within the existing CC&B system. This strategic approach further supports a smoother transition to a new Retail Access System by aligning it with a future CC&B system upgrade. The Company anticipates that a future CC&B upgrade will incorporate the features of the COTS product, optimizing both resources and costs, and thereby eliminating the need for initial customizations required for product installation.

The Company recommends modernizing its current Retail Access systems and their integrations with other key enterprise systems, including the recently implemented CC&B system, to facilitate billing and customer account-related transactions, and IBM Sterling Integrator to enable EDI transactions. This system modernization effort will address technical and functional limitations and pain points within the current systems, optimize business processes, and facilitate EDI transactions. As such, the modernization effort will minimize disruption to both Company operations and external Stakeholder-related interactions.

**Implementation Plan and Proposed Schedule**

The Company will proceed with modernizing the Company's existing systems and external web interfaces from the first quarter of 2025 through 2028. The Company has defined a 48-month timeline that incorporates two major phases: Retail Access System Modernization ("Phase I") and Retail Access Web User Interface and Reporting Enhancements ("Phase II"). Both Phase I and Phase II will include the following project phases:

(1) Envision: define the high-level vision, scope, objectives and goals for the project, as well as develop the delivery timeline and assign resources and roles,

(2) Plan: capture the business requirements, functional and non-functional features based on business and Stakeholder feedback,

(3) Analyze/Design: develop detailed system architecture and design specifications based on the requirements,

(4) Build: execute the system modernization by developing application and integration enhancements based on the finalized design specifications,

(5) Test: conduct various test phases to validate the application meets and complies with business requirements, and

(6) Deploy/Stabilize: prepare for production migration, business and Stakeholder readiness, go-live and establish post go-live stabilization efforts to provide production support and drive adoption of the modernized solution.

Stakeholder engagement is an integral component of each phase of the implementation plan. The Company will incorporate extensive engagement with ESCOs, EDI providers, and other Stakeholders to confirm that the system enhancements are ready for production and to mitigate post-production complications. This engagement approach is based on extensive lessons learned from past large technology programs, including the Company's recent CC&B implementation, as well as benchmarking with peer utilities who have undertaken similar efforts. This benchmarking revealed that extensive pre-deployment engagement and testing were key to the success of these implementations. As such, the Company will engage in a robust set of engagement and testing activities during each planned release of a modernized functionality, as described in detail in the Organizational Change Management section of this document.

**Cost Benefit Summary**

The Company completed an analysis to evaluate the financial and functional justifications for modernizing its current Retail Access system to implement enhancements and improve the resiliency and reliability of the Retail Access applications and data. The Company estimates $49.1 million in capital expenses, including Allowance for Funds Used During Construction ("AFUDC") through 2028, to envision, plan, analyze/design, build, test, and deploy/stabilize the new enhancements. The Company also estimates $7.9 million of operation and maintenance ("O&M") expenses to implement and stabilize the modernized platform through 2028. These costs will be allocated between Con Edison (92.75 percent) and O&R (7.25 percent) under the companies' standard methodology for allocating the costs of enterprise-wide technology solutions.[3]

In its analysis, the Company identified potential benefits of implementing the modernized system and updating its web user interfaces. These benefits are detailed in the discussion of

[3] See Consolidated Edison Corporate Accounting Procedure, Accounting for Transactions between CECONY and ORU, GAP-040C, April 28, 2017.

financial and non-financial benefits in the "Cost Benefit Summary" section of this Business Plan. In summary, the major benefits of the modernized Retail Access system include:

**Table 1: Financial and Non-Financial Benefits Summary**

| Financial Benefits | Non-Financial Benefits |
|---|---|
| • COTS product customization cost avoidance<br>• Avoidance of Retail Choice supplemental staffing required for the duration of a COTS vendor implementation<br>• End-user COTS training cost avoidance<br>• Retirement and consolidation of legacy web server infrastructure<br>• Reduction in highly skilled labor required for future development/enhancements | • Deliver near-term value to Stakeholders<br>• Optimize self-service and reporting capabilities<br>• Automate Retail Access exception handling<br>• Enhance data quality<br>• Improve operational efficiency<br>• Enable process improvements<br>• Modernize web experience |

In conclusion, the retail choice marketplace continues to evolve to afford customers more options to participate in a diverse array of clean and traditional energy choices. The Company requires a modern Retail Access system to facilitate the delivery of efficient solutions and address increasing customer and Stakeholder needs and expectations.

## RETAIL ACCESS SYSTEM MODERNIZATION BACKGROUND

### NYS Policy Evolution for the Competitive Energy Marketplace

New York State ("NYS" or the "State") introduced full retail competition in the State's electric and natural gas markets in the late 1990s. The introduction of competition granted utility customers the opportunity to choose their energy supplier. The PSC directed Con Edison to file tariff leaves and a Retail Access Implementation Plan and Operating Procedure to implement the Company's Retail Access program ("Retail Choice").[4] The first phase of Con Edison's Retail Choice program ran from June 1, 1998 through March 31, 1999, and included proposals for a program to encourage participation by residential and small commercial, non-time-of-use electric customers. This first phase was successful in encouraging the participation of approximately 60,000 retail customers in Retail Choice.[5] Subsequently, the Commission ordered the Company to file yearly proposals with the PSC to further support the NYS Retail Choice program. In response to its proposal, Con Edison received PSC approval in April 2002 to implement a consolidated billing program and electronic data interchange ("EDI") standards.[6]

The PSC adopted Uniform Business Practices ("UBPs") in February 1999 to provide consistent business procedures for both ESCOs and electric and gas utilities across the state.[7] As the competitive retail energy market has evolved, the UBPs have been amended to reflect changes in the market while continuing to provide consumer protections, streamlined business transactions, and communications protocols between ESCOs and utilities.

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[4] Cases 96-E-0897 et al., *In the Matter of Consolidated Edison Company of New York, Inc.'s Plans for (1) Electric Rate/Restructuring Pursuant to Opinion No. 96-12; and (2) the Formation of a Holding Company Pursuant to PSL, Sections 70, 108 and 110, and Certain Related Transactions*, Order Authorizing Tariff Amendments Related to Retail Access Phase II and Power for Jobs to Go Into Effect on a Permanent Basis (issued June 30, 1999), pp. 1-2.
[5] Case 96-E-0897, Order Approving Incentives for Retail Access Phase II (issued Dec. 22, 1998), pp. 2-3.
[6] Case 96-E-0897, Order Approving Phase 5 Retail Choice Program (issued Apr. 29, 2002), pp. 1-2.
[7] New York State Department of Public Service, Uniform Business Practices, https://dps.ny.gov/uniform-business-practices/.

The Company has consistently supported the requirements of the Retail Access program for all Stakeholders through the adoption of the UBPs. This includes the following:

- Replacement of email communications and transactions to and from Stakeholders with standardized EDI transactions
- Community Choice Aggregation
- Service portability enhancements
- Implementation of an EDI Testing Tool to help support the onboarding of new ESCOs to the market
- Management and support of interval usage data with the implementation of Smart Meter/Advanced Metering Infrastructure ("AMI") technologies
- Support of ESCO credit and debit EDI transactions on customer accounts
- Monthly and Historical Interval Usage enhancements
- Development and enhancement of custom internal user interfaces for Company employees to effectively navigate the system, data, and business requirements

Energy choice remains a crucial option for consumers, particularly within the Con Edison service territory. It also contributes to the State's pursuit of achieving 70 percent of its electricity from renewable energy sources by 2030 and a zero-emission electric grid by 2040.[8] The Company is committed to facilitating customer choice and collaborating with ESCOs and other Stakeholders in a seamless and market-friendly manner, while working with customers, regulators and policymakers to reimagine energy for the future.[9] As part of this commitment, the Company is endeavoring to enhance its retail access capabilities and continue to support customers who wish to select an energy provider that promotes renewable energy supply.

**Market and Transaction Growth**

The NYS Retail Access Program, established to enhance competition in energy markets after deregulation, has seen significant growth since its inception in the late 1990s. The Company

[8] New York State Energy Research and Development Authority, "Clean Energy Standard" https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Standard/.
[9] Con Edison, "Our Clean Energy Commitment," https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment/.

has supported and participated in the Retail Access Program through engagement with the growing number of ESCOs and customers who elect to enroll in the program. Since its inception, the Retail Access market in the Company's service territory has grown to more than 650,000 electric and gas customers and more than 200 ESCOs.

With the adoption of EDI standards and technology for the transmission of customer information and related data, the Company processes more than 17 million ESCO-related transactions annually. As the volume of transactions increased, the Company implemented technology platforms to facilitate data exchanges with ESCOs. These platforms also integrate ESCO choice seamlessly into customer billing processes. This robust technology architecture is central to the Company's Retail Access Program and compliance with the PSC's regulatory requirements. Furthermore, employee training emphasizes effective customer engagement to respond to inquiries or customer concerns regarding Retail Access.

The Company has continued to experience a steady growth of EDI transaction volumes related to account changes, price changes, and monthly and historical usage requests. The Retail Access program's rules and requirements, reflected in the UBPs and numerous PSC orders, have evolved throughout the years. Additional policies and regulatory requirements, such as distributed energy resource management mandates and the introduction of community distributed generation, have further complicated the Retail Access landscape. These changes have introduced challenges, particularly when paired with the Company's current technology platforms. Therefore, the Company must modernize its systems to effectively support the growth of the Retail Access Program and better adapt to evolving market conditions.

**Current Retail Access System Overview and Challenges**

The Company has developed and leveraged a suite of customized Retail Access applications to support the NYS Retail Access EDI framework established in 2001. But these tools—developed to facilitate the management and processing of market transactions involving ESCOs, EDI providers, and other Stakeholders—are dated. Consequently, these systems, crucial for supporting customer choice and ESCO participation, must be updated to effectively adapt to market changes.

The combination of complex business rules and requirements, growth in volume of transactions, and aging technology can cause Retail Access transactions to fail, while making it more difficult for information technology personnel to identify the points of failure. These complexities often significantly extend the time required for failure recovery and issue resolution. The Company encounters issues in the reconciliation of incoming and outgoing transactions between divergent systems, which lead to inefficient collaboration with Stakeholders. The Company has made a concerted effort over the years to enhance its processes, modify the applications, and implement monitoring and alerts for when transactions fail to process. To effectively enhance its Retail Access systems, the Company's necessary first step was to replace its outdated Customer Information System ("CIS"), as this system, along with the Retail Access Systems, were closely aligned. With the successful implementation of CC&B in October 2023 and over a year of system stabilization and defect resolution, the Company is well-positioned to prioritize the modernization of its Retail Access Systems.

This program will focus on improving system interactions, making more visible the potential points of failure, and revamping discrepancy reports to increase accuracy and better highlight potential issues. Such enhancements would not only increase efficiency and system reliability, but also enable better visibility and improve proactive system issue alerts.

**Pre-Implementation Planning Effort**

The Company implemented a modern enterprise customer care and billing platform for both Con Edison and O&R in October 2023. This initiative has provided the Company with a valuable opportunity to modernize its Retail Access applications. Accordingly, the Company received PSC approval to initiate this project through the Joint Proposal adopted in its 2023 Rate Order. The Joint Proposal requires the Company to develop a formal Business Plan and conduct Stakeholder engagement to gather input on the Company's draft Business Plan, testing and implementation milestones, and test plan and communication protocols.[10]

[10] Cases 22-E-0064 and 22-G-0065, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), p. 52.

The Company initiated its pre-implementation planning effort in Q1 2024. Con Edison and O&R engaged consultants to help evaluate the operational capability and functionality of its Retail Access systems; document the key business requirements to support Retail Access, including the UBPs; propose system solutions and alternatives, technologies, and solution architecture; and develop the business case analysis found in later sections of this Business Plan.

The focus of the pre-implementation planning effort was to establish the Business Plan and set a strong foundation for this project. The Company adopted a pre-implementation planning approach that included establishing project governance, developing a Stakeholder engagement plan, completing a fit-gap analysis on functional and technical requirements, establishing an implementation roadmap, and completing and filing the formal Business Plan. The Company followed prescribed milestones throughout this planning effort to engage and gather input from key Stakeholder parties, as established in the 2023 Rate Order. The following section details this undertaking.

**Stakeholder Outreach Sessions and Results**

The 2023 Rate Order directed the Company to engage with ESCOs and other Stakeholders in the first quarter of 2024 to gather feedback on the program. Following that initial engagement, the Rate Order required the Company to engage in further Business Plan outreach in the second quarter of 2024. Specific engagement efforts have included and continue to include:

- Quarterly Stakeholder update sessions, which focus on updates on the pre-implementation planning effort and provide an open forum for questions.
- Conversations with smaller groups of Stakeholders who manage a high volume of retail access transactions.
- ESCO Newsletters provide project updates and meeting materials for reference. These are in addition to existing resources, such as the Company website and standing meetings, that the Company provides for ESCOs.
- Survey on the initial outline of this Business Plan to request feedback from Stakeholders on content focus areas and support development of a Business Plan that

would address Stakeholder needs and PSC requirements. This Business Plan integrates Stakeholder feedback provided in this survey.

- Survey on a draft of this Business Plan to request Stakeholder input. Stakeholders emphasized the importance of thorough testing to verify system functionality, shared recommendations for additional features for the Company's consideration, and noted the desire for continued Stakeholder engagement and communications. The Company has analyzed this feedback for inclusion in the Business Plan and integration into the Company's implementation plan.
- Survey to Stakeholders requesting feedback on current systems and functionality, as well as their goals for a modernized solution, to assist the Company in understanding their priorities, current challenges, and desired outcomes. The Company collated these results and shared them with Stakeholders during a follow-up meeting. Key results are featured below:

**Figure 1: Stakeholder Survey Results Executive Summary**

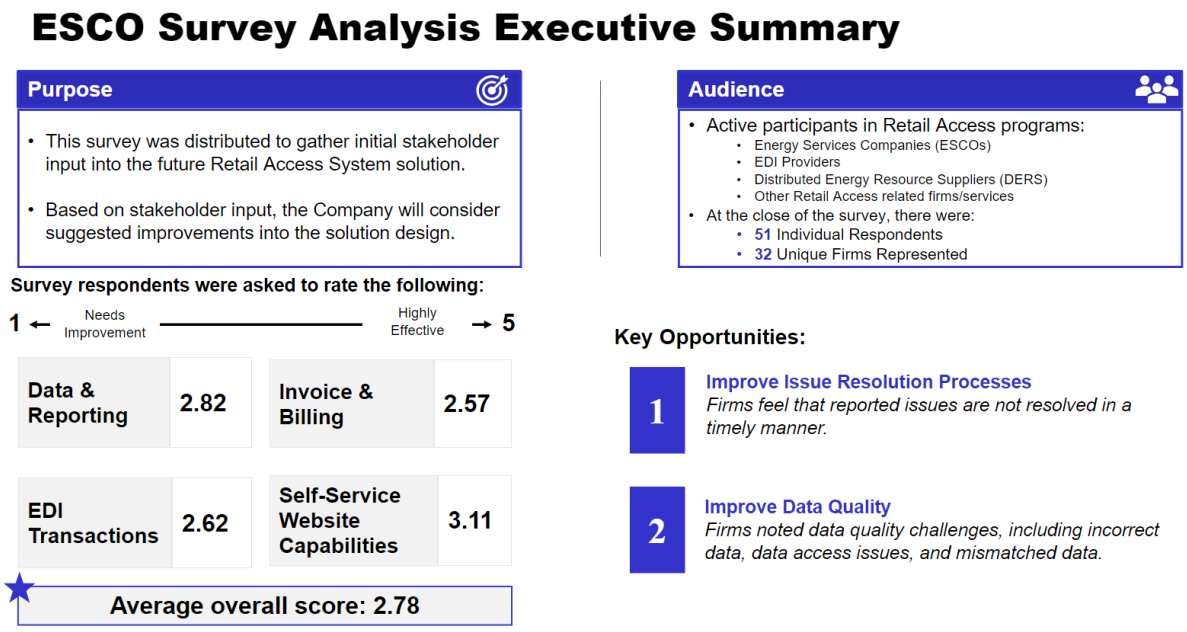
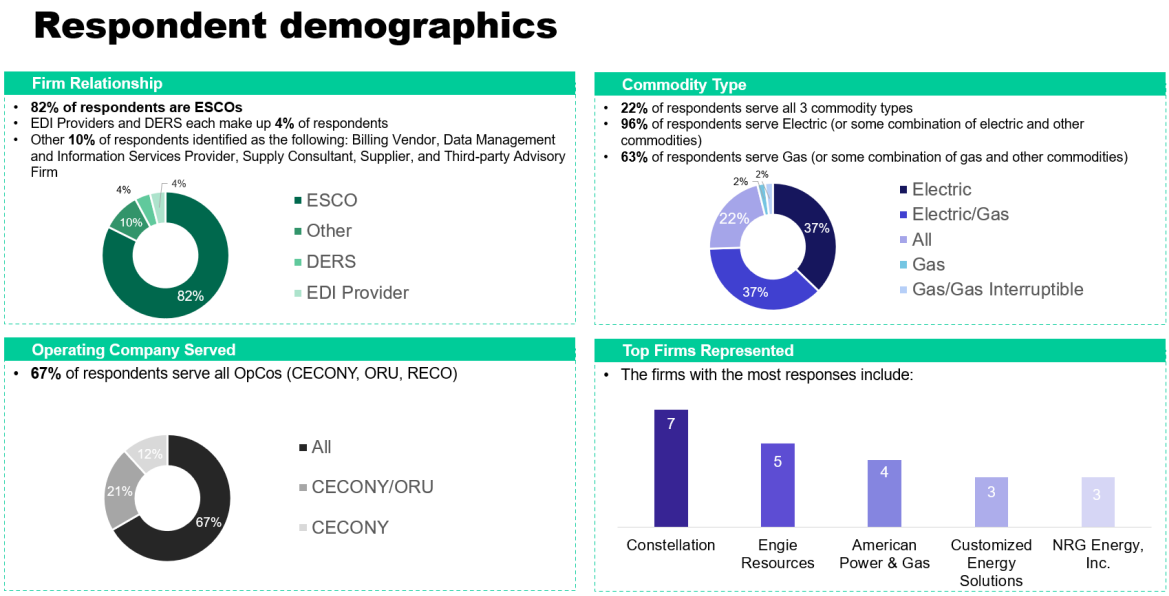


**Figure 2: Stakeholder Survey Results Respondent Demographics**




## Company and Stakeholder Roles and Responsibilities

The Company is deeply committed to fostering a competitive retail energy market in which customers can select their energy supplier. Furthermore, the Company actively supports the needs of participating ESCOs and Stakeholders by adhering to the UBPs' standards for efficient business transaction processing, effective communication protocols, and the security of customer data and transactions.

The Company's dedicated Retail Choice department actively collaborates with the PSC and engages with ESCOs and Stakeholders to meet customer needs and support efficient ESCO operations. Additionally, this group works with Stakeholders through formal annual, bi-annual, and quarterly meetings to provide relevant updates on the retail access market, system issues and resolutions, and other ongoing or proposed Business and IT-related changes.

Throughout the life of this project, the Company will continue to pursue engagement and transparency through quarterly meetings and by involving Stakeholders in User Acceptance Testing ("UAT"). The Company will also continue to leverage written communications (e.g., newsletters) and standing meetings (e.g., Annual Marketer Meeting) and, as necessary, provide

instruction and guidance for Stakeholders on the modernized solution so that they understand what is changing for them and to prepare them for new features and functions.

Stakeholder roles and responsibilities include active and ongoing engagement with the Company's Retail Access operations and participation in this project. The Company will coordinate critical testing activities and will invite the participation of Stakeholders who transact Retail Access data with the Company. Key efforts during the test phase of the project will include system integration testing and UAT to validate data and confirm alignment with Stakeholders' day-to-day operations. Further information on testing efforts can be found in the "Test Plan and Scope" section.

**Retail Access System Solution Modernization Overview**

The Company has researched technological and market advancements to consider a future state Retail Access system solution that aligns with business and Stakeholder requirements, while adhering to regulatory and UBP standards. Key requirements of this solution include:

- An enhanced technology platform that provides Retail Access infrastructure and integrations to ESCOs and third-party Stakeholders, as well as to existing Company technology architecture and platforms, including CC&B;
- Improved exception handling;
- Improved data quality;
- Advanced compliance with computer security;
- Streamlined transaction management process to address discrepancies and improve integrations between Retail Access systems;
- Enhanced user experience through a modernized web platform, enabling advanced self-service capabilities and aligning information across Operating Companies; and
- Enhanced Stakeholder inquiry process.

The Company currently utilizes homegrown applications that interface with Oracle CC&B and other corporate systems. During its pre-implementation planning effort, the Company evaluated a number of solutions to address its identified business requirements and Stakeholder pain points, including a commercial off-the-shelf ("COTS") vendor product and the

modernization of its existing Retail Access Applications, among other alternatives, to evaluate whether their capabilities could address the current challenges and future needs of the NYS Retail Access market.

This robust evaluation identified the necessity for extensive customization of the COTS product, which would require substantial configuration and modifications to the recently implemented CC&B system. This custom COTS installation has not been conducted in the market to date, exposing the project to unforeseen risks. Because this customization would have been a necessary first step in installing the required database and system infrastructure to support the COTS product, it would have added an additional six months of effort to the project timeline and the corresponding costs for required database configuration, system customization and testing.

The modernization of the Company's Retail Access systems mitigates the risks associated with customizing a new COTS product within the existing CC&B system. This strategic approach facilitates a smoother transition to a new Retail Access System by aligning it with a future CC&B system upgrade. The Company anticipates that this future CC&B upgrade will include the features of the new COTS product, providing a Retail Access solution that can be configured immediately. This approach would also eliminate the need for customizations to the baseline COTS product to work with the existing CC&B system, optimizing both resources and costs.

The Company recommends modernizing its current Retail Access Systems and its externally facing Web User Interfaces ("UIs") and reporting capabilities in lieu of implementing a COTS vendor product that would require extensive customizations to the Company's CC&B system. This recommendation is based on the following criteria: the need to address current system challenges and issues in the near-term, the requirement to integrate this project as part of the Company's overall enterprise technology upgrade path, and the commitment to deliver immediate and incremental value to address Stakeholder pain points.

# PROJECT DELIVERY PROCESS, IMPLEMENTATION PLAN, AND PROPOSED SCHEDULE

## Benchmark Summary

The Company has gathered best practices and valuable lessons learned from within the Company, third-party vendors ("Vendors"), and peer utilities to inform its approach to modernizing its Retail Access systems. The Company's recent Customer Service System ("CSS") replacement emphasized the importance of conducting iterative discovery and design sessions to develop the most comprehensive solution while facilitating collaboration across project teams. Additionally, it is critical to thoroughly examine existing defects within current Retail Access systems to understand root causes and projected mitigation timelines, and to incorporate sufficient contingency, particularly for testing phases and Stakeholder engagement. The Company incorporated these lessons learned into the pre-implementation planning phase, structuring the project to facilitate integration across workstreams from the outset, and recognizing the importance of a comprehensive understanding of the project by all key individuals participating in project activities.

The Company also contacted select utility peers to understand their solutions and associated benefits and challenges. This proactive engagement with external utility counterparts has yielded an understanding of the potential advantages and obstacles associated with various retail access solutions, thereby facilitating informed decision-making in compliance with industry standards and regulatory expectations. Table 2 summarizes the benchmark utilities and current billing platforms.

**Table 2: Benchmark Utilities**

| Utility | Region | Utility Type | Single/Multiple Jurisdiction | Customers | Billing Platform |
|---|---|---|---|---|---|
| Utility 1 | East | Gas | Single | Over 1 million | Oracle C2M |
| Utility 2 | East | Gas | Multiple | Over half a million | Oracle CCS |
| Utility 3 | Midwest | Electric | Single | Over 3 million | Oracle CC&B |
| Utility 4 | Midwest | Electric | Single | Over 100 thousand | Oracle CCS |
| Utility 5 | Northeast & West | Electric | Multiple | Over 3 million | Oracle C2M |

Lessons learned are detailed below:

- **Gather Comprehensive Functional Requirements**: Clear market and business requirements for each transaction and process within the utility retail access system are essential. These requirements must be communicated in terms that business users and Stakeholders can understand, as they are foundational to the development of the solution and the creation of test scenarios that verify the solution meets both business and market demands.

- **Conduct Requirements Reviews**: There are two critical stages for conducting requirements reviews. The first stage involves pre-design requirement reviews, where the solution team collaborates with Company business owners to review the captured requirements, confirm understanding, gather configuration values, discuss assumptions, define scope, and obtain document sign-off. The second stage is the design requirements review, during which the solution team presents the requirements to its vendor partner's design, development, and testing teams to enable an understanding of the project's scope. Requirements reviews conducted pre- and post-design enable checks and balances throughout the system development lifecycle, which are critical to achieving a functional end solution.

- **Facilitate a Functional Demonstration**: A functional demonstration of the solution with Stakeholders before code delivery benefits both business users and functional subject matter experts ("SMEs"). This offers a preview of the solution, facilitating discussions about assumptions and confirming that the project team can address discrepancies in understanding. As a result, when the transactions and/or processes are delivered, the business is already acquainted with the solution, minimizing risk and the need for a potential redesign.

- **Use Converted Data and Transaction Files**: Using actual scenarios of customer transactions in early testing phases significantly enhances the quality of market transaction tests. By testing with transactions that have been processed by Retail Access systems and Oracle CC&B, the team can avoid the pitfalls of assumptions that are

inherent in manually created transactions. This approach effectively initiates parallel testing early in the project lifecycle, enabling an additional layer of validation throughout the testing phases.

- **Execute Performance Testing**: Planning sufficient time to execute a robust performance testing effort is a critical layer of testing validation that will equip the project for success.

## Overview of Delivery Process and Implementation Plan

### Project Delivery Approach and Proposed Schedule

The Company's approach to project delivery relies on an integrated and comprehensive project plan that encompasses all activities necessary to deliver the solution. This process includes enterprise architecture, process design, configuration, development, and testing, including a series of technical test processes and Stakeholder testing. It also leverages organizational change management, knowledge transfer, training, integration, data conversion, dress rehearsal preparations, business readiness, go/no-go evaluation dates and activities, cutover, and post go-live support.

The formal project implementation is composed of two distinct phases:

**Phase I: Retail Access System Modernization**

- Phase I will enhance the Company's internal Retail Access systems: the Retail Access Information System (RAIS) and the retail access components of the Transportation Customer Information System (TCIS). Business and Stakeholder requirements for analysis, remediation, and modernization as part of Phase I include, but are not limited to, the following:
    - Discrepancies encountered with EDI 867 (usage) and 810 (invoice) transactions that lead to transaction failures
    - File processing failures due to missing data from the billing platform

- Data mismatches between the retail access applications and the billing platform (e.g., price differences and enrollment/de-enrollment dates)
- Cancel/rebill discrepancies
- Billing related issues stemming from meter discrepancies
- Inaccurate capacity date information

**Phase II: Web User Interface and Reporting Enhancements**

- Phase II will upgrade the Company's external Retail Access web user interfaces and enhance the Stakeholder experience with improved self-service and reporting capabilities. Requirements for Phase II include, but are not limited to, the following:

  - Enhanced Stakeholder web user experience (e.g., retrieval of invoice and billing history) for streamlined processes across both Con Edison and O&R
  - Access to supplemental industry reference data via electronic files (e.g., weather, zone maps, zip codes, load profile data, etc.)
  - Enhanced Installed Capacity ("ICAP") year values and access to prior year ICAP values
  - Management of gas supply delivery process for customers (e.g., forecasting, nominations, and imbalance levels)
  - New and/or enhanced system administration features (e.g., user/identity access management, file templates, and EDI transaction management) for internal end-users
  - Modernized reporting capabilities and access to ESCO-specific regulatory and customer and business data (e.g., daily account listing)
  - Interval data viewing challenges including lack of export capability, invalid account alerts, advanced filter capabilities

CECONY and O&R use a Software Development Life Cycle ("SDLC") approach that allows for software to be developed in a robust and repeatable manner. The SDLC process includes various methodologies such as Waterfall, Agile, and Hybrid-Agile. For this project, CECONY

and O&R will use a combination of Waterfall and Agile methodologies (i.e., hybrid-agile) which include Envision, Plan, Analyze/Design, Build, Test, and Deploy/Stabilize phases.

The following is a brief description of each phase:

- **Envision**: This phase is underway and focuses on the high-level vision and scope for the project. One of the guiding principles is to develop synergies and promote standardization where applicable between CECONY and O&R. Standardization facilitates more streamlined business operations and provides a consistent experience for Stakeholders when interacting with both companies. The strategy is used to inform, add, or modify any requirements. The team is mapping existing requirements to the key processes for downstream and upstream traceability. This exercise helps to determine the high-level future target state.

- **Plan**: The planning phase focuses on establishing the business requirements, functional requirements, and non-functional/technical requirements for a successful implementation. The high-level program plan will be converted into manageable work streams. Detailed templates, schedule, deliverables, and performance scorecard will be defined during this phase.

- **Analyze/Design**: During this phase, the project team will perform requirement analysis, assess business processes captured during the pre-implementation planning phase, develop to-be process flows, perform fit gap analysis, and identify and prioritize Reports, Interface, Configuration, Extensions, and Forms ("RICEF") objects. The team will translate requirements into technical specifications, create system architecture and data flow diagrams, and verify that security measures and compliance protocols are integrated into the design. The project team will then establish and configure the applications within a dedicated development environment, leveraging integrations with development Edge system environments to maintain the integrity of the Company's production systems. The platform will be validated and tested before starting the formal build phase of the project.

- **Build:** During the build phase, each requirement will be tracked to either a configuration object, i.e., fit, or application development object RICEF, i.e., gap. Once developed or

configured, the requirement will be tracked to a Unit Test ("UT") case. The project team will also conduct targeted System Testing ("ST") for each release developed during this phase to validate that all the configurations and enhancements developed in the solution work as expected.

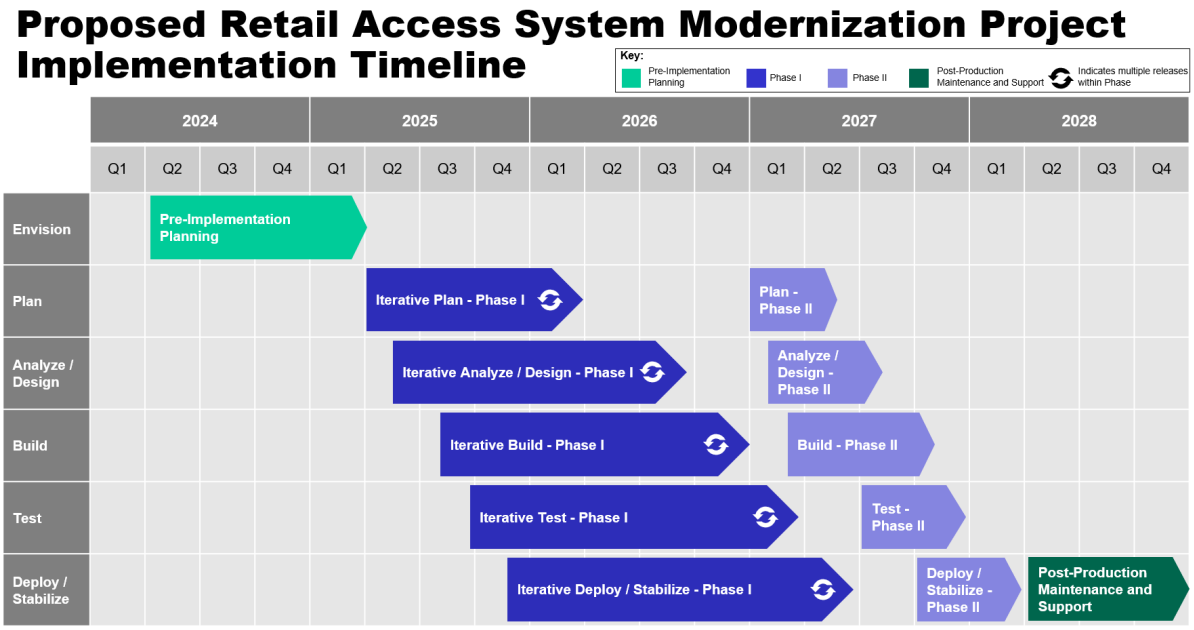
- **Test:** During the Test Phase, every aspect of the solution will be tested so that the end-to-end product works as expected. The team will prepare and execute System Integration Testing ("SIT") to validate the technical interfaces and business processes between the solution and other business systems. User Acceptance Testing ("UAT") will test and validate that the product meets the requirements for business users' functional areas. ESCO testing will validate the high-frequency and high-priority processes between the Company and Stakeholders. The Company will introduce training materials, including job aids, during this phase so that Stakeholders have the foundational knowledge required to perform their day-to-day activities.

- **Deploy and Stabilize:** This phase is where the developed product becomes available to business users in a production environment. Any KPIs aligned with the requirements are tracked to validate expected system outcomes and business benefits. The stabilization phase follows deployment and focuses on system and data monitoring, defect management, and business user/Stakeholder support to minimize system downtime and performance risks and enhance business user/Stakeholder satisfaction.

Project implementation commences in Q1 2025 and will deliver business and Stakeholder value through a hybrid-agile project delivery method. This method incorporates multiple release cycles delivering both technical and process-functional capabilities through iterative plan, analyze/design build, test, and deploy/stabilize phases to deliver prioritized functionality sooner than would be possible through a traditional "waterfall" approach. The delivery approach considers the existing enterprise architecture landscape with over a dozen ancillary Edge systems and related system integrations; the complexity of the New York State retail access program with approximately 200 ESCOs and Stakeholders; the integration of Stakeholder processes in the plan, design, and test phases and the inclusion of Stakeholders in

the testing phase; and comprehensive organizational change management and training to address Stakeholder readiness and engagement.

**Figure 3: Proposed Retail Access System Replacement Project Implementation Timeline**




### Project Team Structure

**Labor Plan:** Staffing required throughout the project lifecycle will include CECONY and O&R internal resources to support the project and operations, as well as external resources with specialized skillsets for IT development projects. The resource sourcing mix considered several factors, including the availability of resources with the required project skillsets within the Company's IT and Customer Operations organizations; alignment of IT managed-service-provider expertise with project activities; System and Business Integrator roles to minimize project risk; and previous experience with CSS and retail access implementations in the industry.

**CECONY and O&R Staffing:** To incorporate knowledge of Company business and IT operations into the solution design, it is critical to include CECONY and O&R subject matter experts throughout the project phases. These internal resources will play many key roles, including:

- Functional Designers to define the current and target processes
- Subject Matter Experts to support the definition of the current and target processes
- Technology and Solution Architects to manage technical resources
- Integration Specialists to support integrations with existing peripheral systems
- Organizational Change Management Practitioners to prepare the organizations for the transition to the modernized system
- Developers to assess, design, build, and configure the Retail Access systems and web platforms
- Data Conversion Specialists to support enhanced data models and data integrity
- Test Execution Team Members to support the planning and designing of testing materials, including test scenarios and test scripts

The Company anticipates approximately 20 percent of project staffing to be delivered by CECONY and O&R resources.

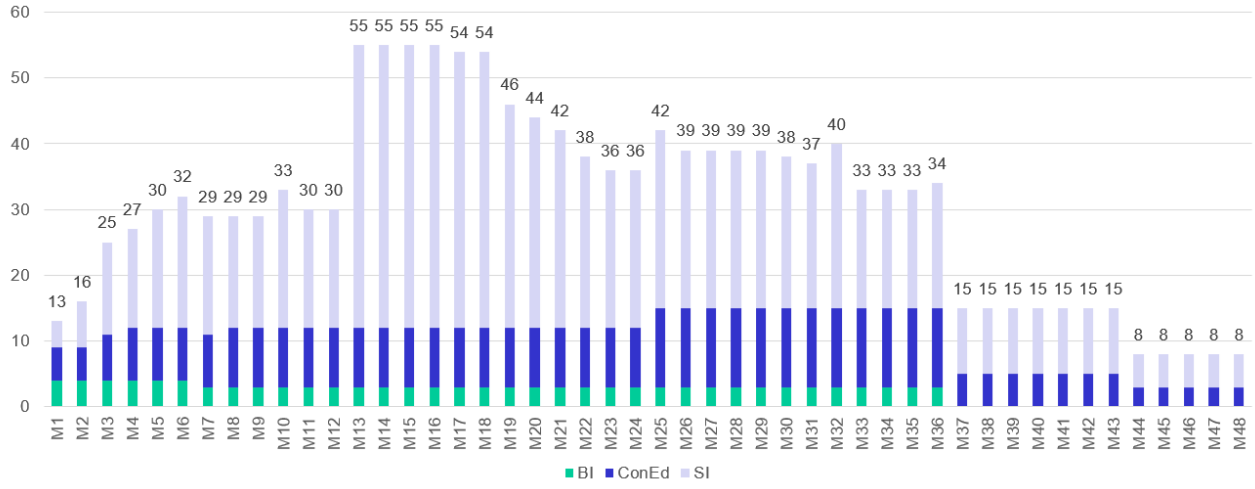
**External Resources:** Multi-year IT implementations are typically conducted in partnership with third-party contractors. These resources provide specialized expertise on the system platforms and assist in designing, configuring, and testing the solution. These external resources will play many different roles in the modernized Retail Access System, including but not limited to:

- System Integrators ("SI"), Business Integrators ("BI"), and other consultants to advise and support on how best to plan and realize an IT modernization. Their proven methodologies, experience, and lessons learned will support each phase of the implementation by providing relevant frameworks, guidance, and support to the project team.

- Managed service providers who currently support the Company's technology portfolio, to provide knowledge of the current IT landscape and integrations between the technology portfolio and the new enhancements. These resources will also be assigned certain development and configuration roles.

The figure below (Figure 4) illustrates the draft overall staffing plan for the project through the Stabilize phase.

**Figure 4: Retail Access System Replacement Project Staffing Plan –Total Count Per Month**



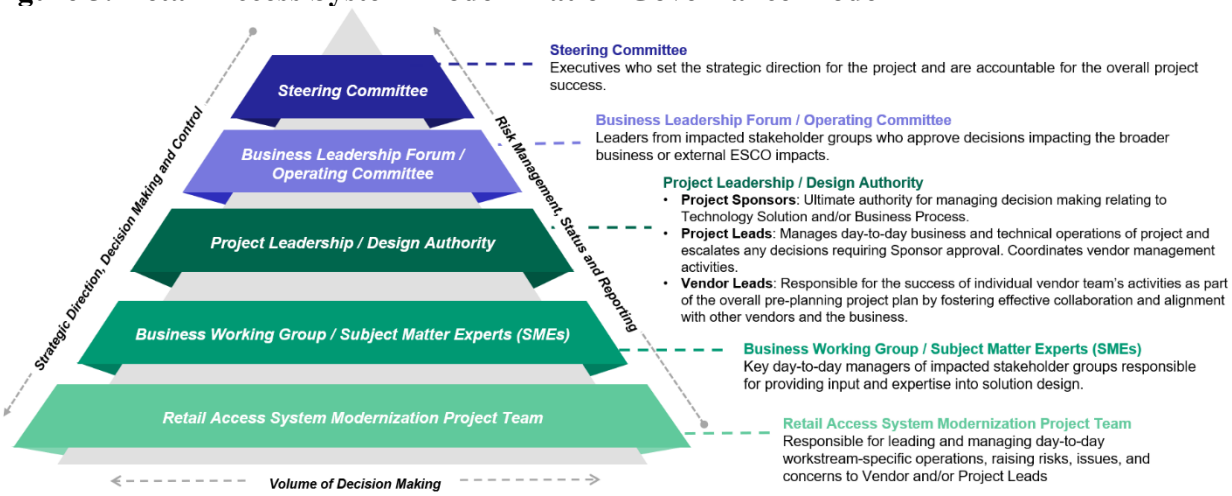

## Governance Model

The Retail Access System Modernization governance model is the structured system of rules and processes used to administer the project's planning and implementation effort. The governance model for the project was established during the pre-implementation planning effort and sets the foundation for the decision-making framework to foster accountability and alignment between the project team, project sponsors, senior leadership, and other business and Stakeholder groups. The model facilitates project delivery on time and on budget by bringing together business stakeholders for efficient decision-making, with a focus on key decisions that not only shape the project, but also steer the project direction and mitigate risk.

The project team has adopted this governance model to highlight a clear distinction between the varying levels of decision-making within the project and the business. The project governance and decision-making framework outlines who has responsibility and authority to make decisions so that there is clearly defined accountability for all aspects of the project. This effort is the link between, and support for, the governance decisions made by the Steering Committee and the work of the project leadership team to deliver the project and its outcomes.

A sound project governance decision framework provides for a shared understanding of governance roles, scope, and deliverables. The governance model, depicted in the following figure (Figure 5), demonstrates the structure of Retail Access System Modernization governance to facilitate decision-making and manage risks.

**Figure 5: Retail Access System Modernization Governance Model**




## Test Plan and Scope

### Background and Lessons Learned

The Testing Phase is an essential aspect of the project, underscoring the quality of the Build Phase. It includes the modernized solution to be developed within existing systems, particularly the Company's RAIS and TCIS applications; System and Web User Interfaces; reporting tools; and the Oracle CC&B system. Detailed test plans will be established for each test phase, outlining the specific testing scope, approach, execution plan, and management processes, including defect management. The test plans will also define the Stakeholders involved, assign roles and responsibilities, establish timelines, and specify the communication channels to be utilized by the project team for both business and external Stakeholders.

Lessons learned have been integrated into the plans across all testing phases to enhance the integrity of testing plans and facilitate a successful implementation. These include:

- Thorough planning for releases is essential to verify that the enhancements encompass all required functionalities within a business process or interface and requires coordination across various business and technical areas.
- Early involvement of Business Functional and IT systems SMEs in test planning and preparation is critical for maximizing test coverage, aligning expectations, and achieving seamless test execution.
- Edge systems within the testing scope may require additional test cases for their systems or downstream interfaces, and identifying these requirements early is essential to allocate adequate time and resources.
- Formation of a dedicated test data management team proficient in extracting relevant Retail Access and related Edge and Billing system data will greatly enhance testing efficiency by addressing the diverse data requirements of the testing team, business users, and Edge systems.
- Company business users conducting UAT must receive specialized training to enable them to effectively test the solution against diverse real-life business scenarios.
- Managing the scope and duration of the Stakeholder Testing phases is essential to identify potential issues, mitigate risks, and build confidence in the solution.
- Ample notice to Stakeholders to set expectations and align on schedules and participation is required for successful Stakeholder testing efforts.
- The Company should conduct Stakeholder verification to validate critical, relevant business scenarios that support Stakeholder operations.

**Test Phases**

Each test phase is described below:

**System Test ("ST")**: The System Test phase confirms that each functional and technical component of the solution aligns with the defined business requirements. This phase involves validating that the system supports full operability of the interconnected functions within the application, including methods and/or objects within a specific functional area. ST will be executed over multiple iterations or cycles, based on the solution components being built and

delivered and the relevant transaction types (e.g., Enrollment, Drop, Usage, Billing, and Payment/Invoicing).

Key considerations for the System Test scope include:

- Validate Business Requirements: Testing will encompass all new business requirements that will continue to emerge from strategic workshops to address challenges identified in the current processes and systems.
- Document Updates Necessary to Existing Processes: ST will also evaluate updates to the existing system configurations and extensions required for the implementation of the modernized solution.
- Define System Testing Scope: The testing scope for system modernizations will be identified by the system owners and teams managing current Edge applications, EDI communications, external web user interfaces, and the systems and processes of third-party vendor solutions.
- Conduct Basic Function Testing for Non-Third-Party Integration ("TPI") Business Processes: Changes to the current solution architecture include the creation of new objects and updates to or decommissioning of existing objects, required during implementation planning. Basic functional testing for all business processes will address the associated risks of these impacts. This approach will select scenarios based on lessons learned from the Company's 2023 Oracle CC&B implementation.

**System Integration Testing ("SIT")**: System Integration Testing verifies the seamless integration of all Retail Access Systems and their interfaces with the Company's Oracle CC&B system and Edge systems, encompassing both inbound and outbound communications. SIT aims to validate that the system components are accurately modeled, configured, and integrated to support the execution of end-to-end business scenarios. This phase confirms that the modernized system and all its interfaces can effectively communicate and function cohesively with the necessary systems.

SIT allows for a comprehensive evaluation of each release. SIT will be logically segregated by release. Key scope considerations for SIT include:

- Reports, Interfaces, Conversions, Extensions, Functions ("RICEF") Requirements: SIT will encompass interface requirements that have been identified during pre-implementation planning. Testing will assess the solutions proposed to address any issues or inefficiencies found in the current processes and systems.
- Existing RICEF Dispositions: SIT will assess the performance and compatibility of existing RICEF components, validating that they function correctly within the environment and align with updated business requirements.

**User Acceptance Testing ("UAT"):** User Acceptance Testing verifies that the solution effectively meets the essential business processes of Retail Access Systems and complies with the UBP and EDI Guidelines and policies governing transaction flow between the Company and Stakeholders. Company end-users are responsible for conducting UAT for Retail Access Systems, Oracle CC&B and Edge systems, while also coordinating the validation of end-to-end EDI transaction processing and web user interfaces with third parties. Both full and subset scenarios will need to be tested. Depending on testing need and scope, Stakeholder participation may be required. The Company will develop comprehensive Stakeholder communication and engagement plans to inform Stakeholders of testing plans.

**Performance Testing ("PT"):** Performance Testing assesses the performance of the system to support critical functions and requirements of the Retail Access business to confirm that there is no degradation of system performance. PT focuses on confirming that key User Interface ("UI") functions, Application Programming Interfaces ("API"), and batch processes perform within acceptable business ranges, verifying the system replacement does not degrade existing performance benchmarks. The PT phase may include multiple cycles of Load, Stress, and Endurance Testing to enable a robust and efficient system that meets the demands of the business operations.

**Disaster Recovery ("DR") Testing:** DR Testing verifies that a company can swiftly recover and resume operations in the aftermath of unexpected events such as cyberattacks, equipment failures, and natural disasters that threaten business and system functionality. A successful DR testing process requires testing and implementation milestones that are compatible with the schedules and requirements of Stakeholders.

**Stakeholder Testing:** Stakeholder Testing allows participating external entities to validate the end-to-end functionality of the modernized system. This testing phase is built upon a partnership between the project team members and Stakeholders to initiate, process, and respond to related EDI transactions; use web applications; and generate reports.

**Organizational Change Management**

The purpose of Organizational Change Management ("OCM") is to engage and prepare business users and Stakeholders to use the new features enabled by the modernized Retail Access System. To achieve this, the Company will engage a Business Integrator partner to advise on the development and execution of a structured and collaborative change management program that leverages industry-leading practices and toolkits. OCM has been integrated into all program aspects, beginning with pre-implementation planning, and incorporates lessons learned from the Company's CSS replacement, particularly in external Stakeholder communications and engagement and support plans. Such communications efforts will include:

- Mechanisms to facilitate ongoing dialogue and engagement in both group and individual settings with external Stakeholders
- Opportunities to continuously gather iterative feedback from Stakeholders through multiple release cycles
- Early and ongoing communications, continuous opportunities to gather input into the plans, and the flexibility to adjust plans as needed to accommodate Stakeholder requirements throughout the project

# COST BENEFIT SUMMARY

## Cost Benefit Overview

The Company engaged third-party vendor partners with experience implementing and supporting comparable Retail Access platforms to perform an assessment for a new Retail Access System in April 2024. Between April and November 2024, the project team and vendor partners conducted a thorough planning effort for the modernization of the Company's Retail Access systems and updated assumptions that were used to estimate the project's anticipated costs and benefits. The cost and benefit assumptions were validated through an iterative review process across all relevant Company stakeholders. This section provides details of cost reductions, avoidance, and benefits outlined in the business case.

Key factors that are embedded in the cost estimate include: (1) an assessment of the current state business processes, (2) integration and technical architectures, (3) labor resources, (4) non-labor costs, such as hardware and software, and (5) indirect costs.

The Company determined whether labor costs should be classified as capital or O&M by analyzing the activities that would be performed by resource type and role for each phase of the project. Similarly, for the non-labor costs, capital and O&M determinations followed Plant Accounting rules and Generally Accepted Accounting Principles ("GAAP").[11]

The following tables provide further details on estimated capital and O&M expenditures by cost category.[12]

[11] Consolidated Edison Corporate Accounting Procedure, Accounting for Transactions between CECONY and ORU, GAP-040C, April 28, 2017.
[12] Values in the tables may not sum exactly due to rounding.

**Table 3: Estimated Capital and O&M Costs for Project from 2024 to 2028 ($000)**

| Total Cost 2024- 2028 | CECONY | O&R | Total |
|---|---|---|---|
| Capital | 45.6 | 3.5 | 49.1 |
| O&M | 7.3 | 0.6 | 7.9 |
| | | | |
| **Total** | **52.9** | **4.1** | **57.0** |

**Table 4: Estimated Capital Expenditures from 2024 to 2028 ($000)**

| Total Capital | 2024 | 2025 | 2026 | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| Labor | 459.6 | 1,126.4 | 1,228.8 | 1,228.8 | 179.2 | 4,222.8 |
| A/P | 3,163.7 | 7,791.2 | 13,229.6 | 9,655.0 | 840.6 | 34,680.1 |
| Other | - | 1,776.7 | 2,312.2 | 3,461.6 | 386.4 | 7,936.9 |
| Overheads | 145.6 | 548.5 | 598.4 | 598.4 | 87.3 | 1,978.3 |
| AFUDC | 72.1 | 47.9 | 74.0 | 56.3 | 6.6 | 256.9 |
| **Total** | 3,841.0 | 11,290.7 | 17,443.0 | 15,000.1 | 1,500.1 | **49,074.9** |
| | | | | | | |

**Table 5: Estimated O&M Expenditures from 2024 to 2028 ($000)**

| Total O&M | 2024 | 2025 | 2026 | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| Labor | - | - | 153.6 | 614.4 | 460.8 | 1,228.8 |
| A/P | - | - | 1,536.0 | 2,784.0 | 1,248.0 | 5,568.0 |
| Other | - | - | - | - | 249.0 | 249.0 |
| Overheads | - | - | 74.8 | 548.2 | 224.4 | 847.4 |
| **Total** | - | - | 1,764.4 | 3,946.6 | 2,182.2 | **7,893.2** |
| | | | | | | |

Associated implementation and ongoing O&M funds are needed to maintain the modernized Retail Access Systems. The $7.9 million in O&M costs associated with the effort include:

- Change Management & Training: These funds are needed for design, development, and deployment of training materials and necessary toolkits for Retail Access and other impacted employees and Stakeholders.

- Post-Production Maintenance and Support: These funds are needed to maintain and support the Retail Access systems post go-live.

**Financial Benefits**

As part of the analysis conducted to support the investment decision for this project, the Company has identified potential financial benefits that it expects to realize by modernizing the Retail Access Systems.

The financial benefits of the modernized Retail Access Systems include both cost avoidance and cost reductions. Details include:

- Commercial off-the-shelf ("COTS") product customization: Modernizing the Company's existing systems will avoid the costs of retrofitting new functionality into a COTS vendor product to integrate it with the Company's current customer information and billing system (CC&B). The Company expects that a future version of CC&B—unlike the Company's current version—will include the functionality and components required for the Company's retail access functions. So, by modernizing its existing systems, rather than implementing a new COTS product at this time, the Company will avoid the consulting and labor costs required to retrofit the COTS product to work with the Company's current version of CC&B.
- Temporary Retail Access staffing augmentation: If the Company implemented a new COTS product, then it would need additional staffing in the Retail Choice group to support manual work efforts during the development and implementation of the COTS product. By modernizing its existing systems instead of implementing a COTS product, the Company will be able to avoid those supplemental staffing costs.
- End-user COTS solution training: If the Company implemented a COTS solution, it would need additional instructor-led training for business users. By instead modernizing its existing systems, the Company will be able to avoid those costs.
- Retirement and consolidation of legacy web server infrastructure: The Company will reduce its technology costs by consolidating CECONY and O&R web server platforms and retiring redundant web servers.

- Highly skilled IT contractor development and support services: Reduce IT consulting labor and costs required for Retail Access system development and maintenance activities post modernization.

**Financial Cost Avoidance**

The Retail Access System Modernization project will facilitate a one-time savings of approximately $10.4 million in avoided COTS vendor product implementation costs for the Company, as detailed in Table 6.

**Table 6: Estimated Cost Avoidance**

| Function | Description | Estimated Cost Avoidance ($000) |
|---|---|---|
| COTS product customization | Retrofit of a mandatory enterprise product solution component into the Company's Customer Care and Billing (CC&B) system. This customization would have been required if the Company were to implement a COTS vendor product solution onto the current version of CC&B. | $3,000 |
| Temporary Retail Access staffing augmentation | Retail Access Full Time Employee staffing to support manual work efforts during the COTS vendor product implementation is avoided as the Company recommends not implementing a COTS solution at this time | $3,906 |
| End-user COTS training | With the decision to not implement a COTS vendor product solution, extensive instructor-led training for business users is avoided | $3,303 |
| Retirement and consolidation of legacy web server infrastructure | Reduction in new web server infrastructure through targeted server retirements and consolidation of CECONY and O&R web server platforms | $218 |

The Retail Access System Modernization project will also facilitate ongoing cost reductions of approximately $2.1 million in annual capital spend in highly skilled IT contractor costs for the Company, as detailed in Table 7.

**Table 7: Estimated Cost Reduction**

| Function | Description | Estimated Annual Cost Reduction ($000) |
|---|---|---|
| Highly skilled IT contractor development and support services | Reduce the need for highly skilled IT consultants to conduct system development and enhancement efforts following the Retail Access System Modernization | $2,072 |

**Non-Financial Benefits**

The modernized Retail Access Systems will enable non-financial benefits for the Company and Stakeholders by supporting continuous improvement of the Stakeholder experience as detailed below:

- Deliver near-term value to Stakeholders: Address business and Stakeholder requirements through iterative releases throughout the project timeline.
- Optimize self-service and reporting capabilities: Update features and functionality to enhance reporting capabilities via self-service, such as enhanced ICAP year values and access to prior year ICAP values through the Retail Access Web User Interface.
- Automate Retail Access exception handling: Introduce Robotic Process Automation (RPA) to automate Retail Access exception handling through the customer information and billing system.
- Enhance data quality: Bring systemic checks and balances needed to avoid current issues caused by inaccurate or mismatched data, which will enhance visibility and reporting into open items or discrepancies and reduce overall discrepancy quantities.
- Improve operational efficiency: Streamline the transaction management process, reducing reliance on manual processes to investigate file transfer issues and minimizing file reprocessing efforts.
- Enable process improvements: Reduce current transaction processing failures by enabling the ability to isolate and reprocess failed transactions without impacting successful transactions, which will reduce manual effort from both the Company and Stakeholders and enable process standardization across the Company.

- Modernize web experience: Update Retail Access Web User Interfaces to enable a modern, standardized Stakeholder experience.

**Cost Model Assumptions**

As part of the Retail Access System pre-implementation efforts that commenced in April 2024, CECONY and O&R conducted several activities to provide insight and assumptions used in the development of the cost and benefit forecast set out in this Business Plan. Key cost model assumptions are detailed in Table 8 below.

**Table 8: Cost Model Assumptions**

| Assumption | Description | Source |
|---|---|---|
| **Program labor forecast** | Detailed activity-based implementation plan from Envision through Deployment developed to forecast total labor hours, cost, and needed FTEs | Pre-Implementation Planning |
| **Hardware and software (including maintenance)** | Total estimate of all hardware and software costs required throughout the full project lifecycle | Pre-Implementation Planning |
| **Capital and O&M allocations** | All detailed cost items categorized and allocated to Capital or O&M in line with GAP-40 principles and in consultation with CECONY Regulatory, Finance and Accounting | GAP-40 |
| **AFUDC** | CECONY – 5.9%<br>O&R – 6.13%<br>Applied to all capital excluding hardware | Corporate Accounting Guidance |
| **IT Labor support costs** | Detailed cost estimate for IT labor-related costs associated with changes made to Retail Access Systems | Pre-Implementation Planning |

| | | |
|---|---|---|
| **Business Labor support costs** | Forecast of the business impacts of a Retail Access System Replacement implementation and associated cost | Pre-Implementation Planning |

# CONCLUSION

Con Edison and O&R require a modernized Retail Access System to address increasing Stakeholder needs and expectations. The Company also must modernize its Retail Access System to facilitate the delivery of efficient solutions for customers. This project provides an opportunity for process standardization across the Company and enables value for Stakeholders. This effort will enable the Company to enhance its technology and operations to support the business and regulatory demands associated with participation in the Retail Access Marketplace, as stakeholders expect. For these reasons, the Company is moving forward with the modernization of its Retail Access Systems, Web User Interfaces, and reporting tools.

## LIST OF ABBREVIATIONS AND TERMS

| | |
|---|---|
| AFUDC | Allowance for Funds Used During Construction |
| AMI | Advanced Metering Infrastructure |
| API | Application Programming Interface |
| CC&B | Customer Care & Billing system (Oracle software product) |
| CECONY | Consolidated Edison Company of New York, Inc. |
| CIS | Customer Information System |
| CSS | Customer Service System |
| COTS | Commercial off-the-shelf vendor product |
| DR | Disaster Recovery |
| DER | Distributed Energy Resource Company |
| Edge System | A secondary Company system which interfaces with the primary system, not a core focus of the solution |
| EDI | Electronic Data Interchange |
| ESCOs | Energy Service Companies |
| GAAP | Generally Accepted Accounting Principles |
| ICAP | Installed Capacity |
| NYS | New York State |
| O&M | Operation and Maintenance |
| O&R | Orange and Rockland Utilities, Inc. |
| OCM | Organizational Change Management |
| ORT | Operational Readiness Testing |
| Phase I | Retail Access System Modernization |
| Phase II | Retail Access Web User Interface and Reporting Enhancements |
| PSC | New York State Public Service Commission |
| PT | Performance Testing |
| RAIS | Retail Access Information System |
| RICEF | Reports, Interface, Configuration, Extensions, Functions |
| RPA | Robotic Process Automation |
| SDLC | Software Development Life Cycle |
| SI | System Integrator |
| SIT | System Integration Testing |
| SME | Subject Matter Expert |
| ST | System Testing |
| Stakeholders | Third-Party entities including ESCOs, EDI Billers, EDI Providers, Gas Marketers, DERs, and others directly impacted |
| TCIS | Transportation Customer Information System |
| TPI | Third-Party Integration |
| UAT | User Acceptance Testing |
| UBP | Uniform Business Practices |
| UI | User Interface |
| UT | Unit Test |