STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.	Case 16-E-0060
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service.	Case 16-G-0061

DIRECT TESTIMONY

OF

GREGG C. COLLAR

Dated: May 27, 2016
Albany, New York

UTILITY INTERVENTION UNIT
DIVISION OF CONSUMER PROTECTION
NYS DEPARTMENT OF STATE
99 WASHINGTON AVENUE
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I. INTRODUCTION AND OVERVIEW OF TESTIMONY

Q. Please state your name, title and business address.

A. My name is Gregg C. Collar. I am a Utility Program Analyst with the Utility Intervention Unit (UIU) of the New York State Department of State's Division of Consumer Protection. My business address is 99 Washington Avenue, Suite 640, Albany, New York 12231-0001.

Q. Please briefly summarize your qualifications and employment background.

A. I received a Bachelor of Arts in Mathematics from Hartwick College in 1995. Since March 2005, I have been employed as a Utility Program Analyst, initially with the New York State Consumer Protection Board, and, beginning in April 2011, with the New York State Department of State's UIU. In this position, I am primarily responsible for analyzing utility low-income and service quality performance measurement programs currently in place and identifying reforms that would enhance their reach and effectiveness. I research and draft formal documents advocating UIU's position in Public Service Commission (PSC or Commission) proceedings and represent UIU in collaborative proceedings, negotiations and other meetings advocating for low-income programs, service quality performance issues and other matters of interest to UIU. I serve as UIU's representative to the Low-Income Forum on Energy and the Natural Gas Reliability Advisory Group, and UIU's representative and Chairperson on the Board of Directors of the telecommunications Targeted Accessibility Fund, which oversees public benefit programs including Lifeline and E911.

I participated as UIU's representative in Case 01-M-0075, which examined National Grid-Upstate's low-income assistance program, as well as in a collaborative in Cases 05-E-0934 and 05-G-0935 that addressed Central Hudson Gas & Electric Corporation's (Central Hudson) low-income program. I also conducted research and drafted documents pertinent to UIU's participation in the investigation of the July 2006 electric power outage of Consolidated Edison of New York Inc.'s (Con Edison) Long Island City Electric Network, Case 06-E-0894, and the investigation of the prudence of Con Edison regarding the July 2007 steam pipe rupture in Case 08-S-0153. In Case 07-M-0548, the proceeding regarding the Energy Efficiency Portfolio Standard (EEPS), I served as the UIU representative in the working group related to the establishment of natural gas efficiency goals and the working group assigned to help customers overcome barriers to energy efficiency with the potential use of an on-bill financing program. I also served as the UIU participant in the EEPS Evaluation Advisory Group. Most recently, I have been involved in the Reforming the Energy Vision (REV) proceeding, Case 14-M-0101, and in Case 14-M-0565, the proceeding addressing affordability for low income customers (Affordability Proceeding).

Q. Mr. Collar, have you previously testified and/or been involved in negotiations in PSC proceedings?

A. Yes, I have submitted testimony in many rate proceedings involving Con Edison, Cases 08-E-0539, 09-G-0795, 09-E-0428, and 13-E-0030/13-G-0031; Orange and Rockland Utilities, Inc.,Cases 08-G-1398, 10-E-0362, 11-E-0408 and 14-E-

0493/14-G-0494; Central Hudson, Cases 09-E-0588/09-G-0589, 12-M-0192 and 14-E-0318/14-G-0319; New York State Electric and Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E), Cases 09-E-0715 *et. al* and 15-E-0283 *et. al*; Corning Natural Gas Corporation, Case 11-G-0280; and National Grid-Upstate, Cases 10-E-0050 and 12-E-0201/12-G-0202. Most recently, I submitted testimony in the rate proceedings of KeySpan Gas East Corp. dba Brooklyn Union of L.I. (KEDLI) and The Brooklyn Union Gas Company dba National Grid NY (KEDNY), Cases 16-G-0058 and 16-G-0059. In addition to these electric and gas rate case proceedings, I also submitted direct and rebuttal testimony in Case 09-M-0527, a proceeding that established a State Universal Service Fund, which is intended to ensure local telephone service remains universally available throughout New York State. Additionally, while I did not submit testimony, I represented and advocated the UIU's positions in the recent applicable rate plan or rate plan extension proceedings for KEDNY in Case 12-G-0544, Corning Natural Gas Corporation in Case 11-G-0280, and National Fuel Gas Distribution Corporation (NFG) in Case 13-G-0136.

Q. What is the purpose of your testimony?

A. I will discuss — and make recommendations regarding — Con Edison's Customer Service Performance Mechanism (CSPM), Low Income Programs, Green Button Connect My Data (GBC), and the documentation required for a prospective customer to open a new account.

Q. Please summarize your recommendations

A. I discuss the following recommendations in my testimony:

1) UIU proposes changes to the CSPM. Specifically, we propose a more stringent target for the PSC Complaint Rate. I will also address the Company's assertion that it has not incurred a Negative Revenue Adjustment (NRA) under its CSPM in the last three years.

2) UIU proposes eliminating reconnection fees (and, correspondingly, reconnection fee waivers) for low income program participants.

3) UIU proposes that Medicaid be included as a program that qualifies customers for the Company's electric low income program.

4) UIU proposes a change to how the Company reconciles its electric low income program costs.

5) UIU opposes the two Earning Incentive Mechanisms/Earnings Adjustment Mechanisms (referred to herein as EAMs) associated with GBC proposed by the Company.

6) UIU proposes that the Company accept an Individual Taxpayer Identification Number (ITIN) and IDNYC as forms of personal identification. I also propose that the Company look further into other forms of identification to be made acceptable for this purpose.

Q. Are you sponsoring any exhibits associated with your testimony?

A. Yes, I am sponsoring two exhibits. Exhibit __ (GCC-1) consists of the Company's responses to Information Requests (IRs) that I relied upon in

preparing this testimony. Exhibit __ (GCC-2) depicts my recommendation regarding the PSC Complaint Rate target.

II. CUSTOMER SERVICE PERFORMANCE MECHANISM

Q. Please describe the Companies' current CSPM.

A. Con Edison's CSPM comprises four service quality performance metrics: PSC Complaint Rate, Call Answer Rate (percentage of calls answered within thirty seconds), Customer Satisfaction surveys, and Outage Notification.

Q. What is the function of CSPMs?

A. Quality service is important to customers and is in the public interest. Due to the monopolistic nature of utility service, customers cannot select another delivery service provider if they are unsatisfied with the quality of service they receive from Con Edison. Meaningful measures associated with appropriate financial risk are required to ensure that utility companies provide adequate service to their customers. Structured correctly, CSPMs provide utilities with powerful incentives that should result in the level of service to which customers are entitled.

Q. How has the Company performed under the CSPM the last three years?

A. The Company's response to Department of Public Service Staff (Staff) IR No. 67, which is contained in Exhibit ___ (GCC-1), indicates it has met all of its service quality performance metrics and thus has not incurred any NRAs for the last

three rate years. However, as I discuss below, this response may not be entirely accurate; it appears that the Company missed its Call Answer Rate target in 2013.

Q. Does Con Edison propose any changes to its CSPM?

A. No. The Company does not propose any changes to the CSPM.

Q. What is UIU's recommendation regarding the Company's CSPM?

A. UIU proposes to continue the CSPM in its current state with a modification to the PSC Complaint service target level. The Company's performance over the past three years has been very good compared to its service target. Under the current target, the Company does not incur a NRA until it exceeds a threshold of 2.3 complaints per 100,000 customers. I recommend the Commission lower this threshold to 1.9 complaints per 100,000 customers (See Exhibit _ (GCC-2)). According to the Company's response to UIU IR No. 79, it experienced 1.79 complaints per 100,000 customers in 2013, 1.75 in 2014, and 1.42 in 2015. The Company's performance under this metric could therefore deteriorate significantly before the Company would incur a NRA.

Customers deserve to see their utility's performance improve over time, especially where, as here, the utility asks its customers to pay higher rates. CSPM targets should therefore be set at levels that challenge utilities to achieve enhanced customer service, rather than staying with the status quo. A target that a Company has no trouble meeting fails to adequately incent the Company to

improve its performance. UIU therefore proposes a new target of 1.9, which is based on the Company's three-year average performance plus one standard deviation. This is an appropriate level to ensure that Con Edison continues to improve the service quality its customers deserve.

Q. Is there another aspect of the Company's CSPM you would like to discuss?

A. Yes. I would like to discuss the Company's assertion in its testimony and in a response to a UIU IR that it has not incurred any NRAs in the last three rate years.

Q. What about this assertion do you wish to discuss?

A. In my analysis of the data provided by the Company in response to UIU IR No. 79, I found that the Company's Call Answer Rate in calendar year 2013 was 60.7%. Under the current CSPM, which was also in effect in 2013, the Company should incur a NRA for the Call Answer Rate service metric when its performance falls below 63.0%. There are four threshold levels under this service metric with different NRA amounts:

Threshold Level	NRA Amount
>= 63.0%	N/A
<63.0%>=62.0%	$1,000,000
<62.0%>=61.0%	$2,000,000
<61.0%>=60.0%	$4,000,000
<60.0%	$5,000,000

Thus, the Company should have incurred a NRA of $4,000,000 for failing to meet its Call Answer Rate in 2013. Yet the Company suggests that it did not actually incur this NRA. I ask the Company to please clarify the discrepancy in its rebuttal testimony.

III. LOW INCOME PROGRAMS

Q. Please describe the low income program Con Edison currently offers to its gas customers.

A. The Company's gas low income program consists of a low income discount and a reconnection fee waiver. At present, the gas low income program provides a discount of $1.50 applied to the monthly Customer Charge for gas non-heating, or Service Classification (SC) 1 customers. Gas heating, or SC3 customers, receive a $7.25 discount applied to the monthly Customer Charge as well as a discount of $0.4880 per therm for usage in the 4-90 therm block. The Company also provides a one-time waiver of the reconnection fee for program participants who have had their service disconnected for non-payment.

Q. Does the Company propose any changes to the current gas low income program?

A. No. The Company proposes to maintain the current elements of the gas program, which were set in the Company's last gas rate case proceeding, Case 13-G-0031. Note, however, that changes to the Company's gas low income program will likely be necessary to conform the program to the Commission's

Order Adopting Low Income Program Modifications and Directing Utility Filings (Low Income Order) issued May 20, 2016 in Case 14-M-0565, which I discuss later in my testimony.

Q. Please describe the low income program Con Edison currently offers to its electric customers.

A. The Company's current electric low income program consists of a low income discount and a reconnection fee waiver. Customers enrolled in the electric low income program receive a reduction of $9.50 to their monthly Customer Charge. The Company also provides a one-time waiver of the reconnection fee for program participants who have had their service disconnected for non-payment.

Q. What changes does the Company propose to the current electric low income program?

A. The Company proposes to decrease the funds allocated to its low income program to reflect a projected decrease in program participation levels. The current discount target funding is $47.5 million per year, which is based on a projected participation level of 417,000 low income customers. On page 121 of its initial testimony, the Company's Customer Operations Panel (the Panel) forecasts that only 393,000 customers will participate in its electric low income program in Rate Year (RY) 1. This participation level, multiplied by the Panel's proposed monthly discount of $9.50, yields a reduced proposed funding level of $44.8 million for RY1.

Note, however, that this proposal is likely out-of-date in light of the Commission's Low Income Order. That Order will likely necessitate revisions to this proposal, and to the Company's electric low income program generally.

Q. Please discuss this Low Income Order.

A. The Order establishes a unified statewide approach to utility low income programs, and prescribes several changes to utilities' current programs.

As of the filing of this testimony, the Company has not described how it plans to conform its low income programs to the Order. The Order directs the Company to file a document within 90 days (on or about August 19, 2016) describing how the Company will implement the Order. The filing deadline for this implementation plan will precede the conclusion of these rate proceedings.

In addition to the current lack of information regarding the Company's planned implementation of the Order, the Order itself declines to resolve all matters related to the Company's low income programs. Instead, several low income-related matters are left to be determined in rate proceedings, including discount design details, the specific method of cost recovery, and whether and how to implement arrearage forgiveness and/or reconnection fees.

Q. Given that the Low Income Order does not resolve all low income-related matters, are there aspects of the Company's low income programs you would like to discuss here?

A. Yes. I would like to discuss the Company's reconnection fee waiver program and

the Company's electric low income program eligibility criteria.

Q. Do you propose any modifications to reconnection fees, or reconnection fee waivers, for participants in the Company's electric and gas low income programs?

A. Yes. The Company proposed no change in relation to the one-time waiver of the reconnection fee. UIU recommends that the Company discontinue charging reconnection fees to low income customers, which will allow it to discontinue the reconnection fee waiver portion of its low income programs.

Q. Please explain further why a low income customer should not pay a reconnection fee. Has any other utility implemented this proposal?

A. As the Staff Report in the Affordability Proceeding points out, reconnection fees "may provide perverse incentives to utilities, if they are more inclined to terminate low income households to compel payment." Not charging low income customers a reconnection fee will help prevent the improper threats of disconnection as a means of pressuring low income customers. NYSEG and RG&E recently eliminated reconnection fees charged to their respective low income customers in the Joint Proposal ("JP") filed on February 19, 2016 (Cases 15-E-0283 et. al.); the Company should do the same in order to promote uniformity in low income customer protections.

Q. Does this proposal account for the Commission's Low Income Order?

A. Yes. The Low Income Order neither requires nor prohibits utilities from charging reconnection fees to low income customers. Similarly, while the Low Income Order authorizes utilities to provide reconnection fee waivers to low income customers, it does not require this approach. This proposal is therefore consistent with the Low Income Order.

Q. How do customers qualify for each of the low income programs?

A. Customers can become eligible for both the gas and electric low income programs by enrolling in Con Edison's Direct Vendor Program, Utility Guarantee Program; or by receiving benefits under Supplemental Security Income, Temporary Assistance for Needy Persons/Families, Safety Net Assistance, Supplemental Nutrition Assistance Program (previously referred to as Food Stamps), or have received a HEAP grant in the preceding 12 months. Additionally, a customer can become eligible for the Company's gas low income program – but not its electric low income program – by participating in Medicaid.

Q. How many electric customers would be eligible to participate in the electric low income program if Medicaid was a qualifying program?

A. According to the Panel, 129,000 additional electric customers would become eligible to participate in the electric low income program if Medicaid was added as a qualifying program.

Q. How did the Company identify these 129,000 Medicaid-eligible customers?

A. The JP adopted in the 2014 Con Edison electric rate case proceeding (Case 13-E-0030) required the Company to work with New York City's Human Resource Administration and Westchester County's Department of Social Services to identify the number of Medicaid-eligible customers who were not already participants in the electric low income program. The Company filed its findings on August 21, 2014. This report did not include any recommendations with respect to adding these additional customers to its electric low income program.

Q. Does the Low Income Order address Medicaid as a qualifying program for the Company's electric low income program?

A. No. The Low Income Order neither mandates nor prohibits using Medicaid as an eligibility criterion for the Company's electric low income program.

Q. What do you propose regarding these 129,000 Medicaid-eligible customers?

A. UIU proposes that customers who receive Medicaid should be immediately eligible to enroll in the Company's electric low income program – just as those customers are already eligible to participate in the Company's gas low income program. In addition to serving fundamental notions of fairness and program uniformity, this recommendation is also consistent with UIU's position in the Affordability Proceeding, in which we recommended that the criteria used for the Lifeline telephone discount – which includes Medicaid participation – be used as a low income program eligibility criterion. (See Case 14-M-0565, Initial Comments of the Utility Intervention Unit at p. 7, filed August 24, 2015).

A customer should not be denied a benefit when he or she has clearly demonstrated need; correspondingly, the Company should not deny assistance to a considerable segment of the low income customer population on the grounds that increased enrollment might increase some program costs. Furthermore, UIU sees no justification as to why the eligibility criteria for the Company's electric and gas low income programs should differ. The Commission apparently agrees; as it noted its February 21, 2014 Order in the previous rate case proceedings, "Our review of the record provides no theoretical basis for differentiating Con Edison's gas low-income program from its electric low-income program with respect to utilizing Medicaid eligibility as a qualifying factor."

Q. Is there another aspect of Con Edison's electric low income program you would like to discuss?

A. Yes. I would like to discuss how the Company reconciles its electric low income program costs. The Commission's Order approving a JP in Case 09-E-0428 allowed the Company to adjust the low income discount in RY 2 and RY 3 if the Company projected that the one-year cost of these discounts would differ by more than five percent of the $38.25 million annual funding. This was intended to cushion the "rate shock" of enrolling an additional 150,000 or more customers who were found to be eligible for the low income program but were not enrolled because of inadequate administration of the file matching process. On page 51 of the aforementioned Order dated February 21, 2014, the Commission "determined that the adjustment mechanism should be eliminated in order to

preserve the full $9.50 credit for all qualifying customers throughout the duration of the short electric rate plan, or until we revisit the issue after having had the opportunity to consider the impacts of adopting Medicaid eligibility as a qualifier for the low-income program."

Q. What is your proposal regarding this adjustment mechanism and the method by which the Company reconciles its electric low income program costs?

A. UIU agrees with the Commission's February 21, 2014 Order, and recommend that the adjustment mechanism be eliminated.

IV. GREEN BUTTON CONNECT MY DATA

Q. What is Green Button?

A. Green Button is an initiative sponsored by the United States Department of Energy that enables utility customers to download their energy usage information. Con Edison has already implemented Green Button Download My Data functionality that enables customers to download their usage data in a standard XML electronic format. Further GBC implementation will enable Con Edison's customers to grant third parties access to their usage data, which in theory will promote a market for energy-management services.

Q. Why does the Company propose to implement GBC at this time?

A. According to the Panel's testimony, the Company argues that implementing the GBC tool now is an appropriate response to the Commission's February 26,

2015 Order Adopting a Regulatory Policy Framework and Implementation Plan in the REV proceeding (REV Track One Order), and to the Staff Proposal: Distributed System Implementation Plan Guidance, filed October 15, 2015 in the REV proceeding. The Panel explains, "both [of these sources] recognize that the success of REV depends on the ability and willingness of customers to engage in DER programs directly with third party providers."

Q. What EAMs does the Company propose related to the implementation of GBC?

A. The Company proposes a one basis point positive incentive (equivalent to $1.6 million, according to the Company's response to UIU IR No. 76) if it implements GBC by December 31, 2017 within its budget of $15 million. Following GBC's implementation, the Company proposes an additional positive incentive of up to $250,000 annually if it issues at least five customer communications per year via various media to promote GBC. Both of these proposed earnings incentives would be "upside-only;" the Company does not propose any corresponding negative revenue adjustments should it fail to meet its GBC targets.

Q. What is your reaction to these proposed incentives?

A. UIU objects to both of these proposed EAMs. The Commission's Order Adopting a Ratemaking and Utility Revenue Model Policy Framework, issued May 19, 2016 in Case 14-M-0101 (REV Track 2 Order) concludes that EAMs related to customer engagement are not necessary. (REV Track 2 Order p. 89.) As that Order notes, customer engagement is already integral to a majority of other

outcomes that bear on utility earnings. Furthermore, the Order provides that "the principal customer engagement tools have been or will be mandated," (id. p. 89), and "utilities will be required to make some level of data available to customers and to third parties, at no cost." (Id. at p. 50 FN 57). Con Edison's GBC-related activities would thus be designed to fulfill obligations to which the Company is already subject, so an EAM is neither necessary nor appropriate.

Q. Please further describe your objections to the Company's proposed EAM associated with timely implementation of GBC.

A. GBC implementation budget and deadline targets are particularly poorly suited to EAMs. The Company is already required to meet those budgets and timelines the Commission imposes by order. The Company has no rational basis on which to argue that it should be rewarded for merely satisfying its legal duties; nor should it suggest that the prospect of a reward is needed to help it set its internal priorities, as the Company is already obligated to allocate its resources as necessary to meet Commission requirements.

These proposed EAMs are also inconsistent with the Commission's guidance. For example, on page 7 of the REV Track Two Order, the Commission notes "we adopt an approach that uses outcome-based earning opportunities, targeted toward results that will create consumer savings and enable and build market activity." The Company has not shown how meeting its deadlines and staying within its budget will result in customer savings (particularly because, as discussed above, the Company will already be

obligated to meet those conditions).

Furthermore, the Company's proposed implementation GBC target date, December 31, 2017, for yielding an incentive payment, is inappropriate because it rewards the Company for implementing GBC six years before customers can fully engage with it. GBC's functionalities are linked to the penetration of Advanced Metering Infrastructure (AMI), as AMI is necessary to give customers the ability to effectively access, understand, and manage their energy consumption data (see Company Customer Operations Panel Initial Testimony at p. 41-42). But AMI will not be fully deployed until at least 2022 (see Company Advanced Metering Infrastructure Panel Initial Testimony at p. 45). There is no justification for the Company to be rewarded for implementing a GBC tool six years before it can be fully utilized.

Q. Do you have other objections to the Company's proposed EAM associated with outreach to customers?

A. The Company does not propose any detail with respect to the extent or nature of the outreach promotions that would satisfy the targets associated with this metric. For example, the Company could theoretically satisfy its proposed target simply by sending five emails to its customers per year, regardless of the relative effectiveness of such an approach.

Furthermore, this proposed EAM is not connected to the practical success of GBC. The Company should not view promoting GBC as an end unto itself; rather, such outreach should be designed to improve customer awareness of and

engagement with GBC. By focusing only on superficial acts of outreach, and not the purpose of the outreach, the Company's proposed EAM misses the mark.

Q. What do you recommend instead with respect to these proposed EAMs?

A. If the Commission implements any EAM associated with GBC, such EAM should be associated with the actual extent to which customers use GBC. This would be consistent with Commission's recommendation at page 90 of the REV Track Two Order: "Proposals for EAMs of this nature [associated with the adoption and success of innovative utility programs] should include an evaluation of expected customer and system benefits from the programs, and should be calibrated against other anticipated utility incentives from their roll out."

V. SERVICE APPLICATIONS

Q. What documentation does Con Edison require for a prospective residential customer to open a new account?

A. According to the Company's response to UIU IR No. 70, the Company asks a prospective residential customer to provide their social security number and date of birth. In lieu of a providing a social security number, a customer can provide a driver's license number, non-driver's license number, public assistance number, or Alien Identification Number.

Q. What is an ITIN?

A. According to the Internal Revenue Service's website, "an [ITIN] is a tax

processing number issued by the Internal Revenue Service. The IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain a Social Security Number (SSN) from the Social Security Administration (SSA)."

Q. What is IDNYC?

A. IDNYC is a personal identification card issued by the City of New York. Each IDNYC contains a unique 14-digit identification number and the cardholder's photograph, as well as the cardholder's name, New York City address, and other personal details. In order to obtain an IDNYC, an applicant must submit proof of identity, date of birth, New York City residency, and identification documentation containing his/her photograph. IDNYC is designed in part to help those who may have difficulty obtaining other forms of government identification. According to the IDNYC web site, "IDNYC cardholders can access services and programs offered by the City as well as by businesses. IDNYC helps enhance public safety, by serving as a recognized ID for interacting with NYPD. It also helps New Yorkers gain access to all City buildings that provide services to the public and is accepted as a form of identification for accessing numerous City programs and services."

Q. What do you propose with respect to ITINs and IDNYCs?

A. I propose that the Company accept ITINs, and IDNYCs for prospective customers within the New York City service areas, as acceptable forms of

identification. This will ensure that a New Yorker who may not have a social security number can nevertheless gain access to electric and/or gas service. The portion of this proposal concerning ITINs is also consistent with the Joint Proposal in the most recent NYSEG and RG&E rate proceedings (Cases 15-E-0283 et. al.).

I also recommend that the Companies look into other forms of identification that may be made acceptable for this purpose, including: Consular Identification cards; unexpired U.S. or foreign passports; unexpired Employment Authorization Documents that contain a photograph; Uniformed Services Identification Cards; U.S. Military Identification Cards; U.S Coastguard Merchant Mariner Cards; Federal Government Personal Identity Cards (PIVs); Department of Defense Common Access Cards; or unexpired driver's licenses issued by a state or Territory of the U.S. or Canada, provided it contains a photograph and information including the name, date of birth, gender, height, eye color and address.

Q. Does this conclude your testimony at this time?

A. Yes.

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EXHIBITS

OF

GREGG C. COLLAR

Dated: May 27, 2016
Albany, New York

UTILITY INTERVENTION UNIT
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Company Name: Con Edison
Case Description: 2016 - Con Edison Electric and Gas Rate Filings
Case: 16-E-XXXX; 16-G-XXXX

Response to DPS Interrogatories – Set DPS-1
Date of Response: 01/29/2016
Responding Witness: Customer Operations Panel

Question No. : 67

Customer Service Issues- Electric & Gas -List any instance(s) of revenue adjustments incurred under the Company's customer service performance incentive mechanism for the last three rate years. For each instance, explain the reasons for the performance deficit, and describe the company's strategy to improve performance. Provide copies of any reports, analyses, memoranda or other correspondence relative to such occurrences.

Response

Revenue adjustments have not been incurred under the customer service performance incentive mechanism for the last three rate years, that is Calendar Year 2015, Calendar Year 2014, the period 4/1/13-12/31/13, and Rate Year Ending 2012, which encompasses 4/1/12-3/31/13.

Company Name: Con Edison
Case Description: 2016 - Con Edison Electric and Gas Rate Filings
Case: 16-E-0060; 16-G-0061

Response to UIU Interrogatories – Set UIU-3
Date of Response: 05/02/2016
Responding Witness: Customer Operations Panel

Question No. : 79

Starting with the most recent data available, please provide the monthly statistics for the past three years for each of the metrics that constitute the Company's CSPM.

Response

Please see attached UIU-3-79 Attachment 1: CSPM 2013-2016, for the monthly statistics for the past three years for each of the metrics that constitutes the Company's CSPM.

The most recent event that triggered an Outage Notification Incentive Mechanism (ONIM) was applicable to an outage event that occurred during Super Storm Sandy, on October 29-30, 2012, which is outside the scope of this interrogatory. Accordingly, neither a monthly statistic nor metric is available for the outage notification portion of the CSPM.

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sept-13	Oct-13	Nov-13	Dec-13
Percent of calls answered by a representative within 30 seconds	63.3	50.5	72.9	52.1	56.4	49.6	58.8	54.2	74.2	72.5	61.3	62.3
Complaints per 100,000 customers	1.7	1.4	1.6	1.7	1.6	1.6	2.0	2.0	2.1	2.3	1.8	1.7
Customer Assistance Center Survey (Callers)	87.3	87.3	87.3	87.3	90.1	90.1	90.1	90.1	90.1	90.1	89.6	89.6
Electric Emergency Contact Survey	86.1	86.1	86.1	86.1	87.3	87.3	87.3	87.3	87.3	87.3	88.3	88.3
Gas Emergency Contact Survey	91.8	91.8	91.8	91.8	94.3	94.3	94.3	94.3	94.3	94.3	94.0	94.0
Service Center Survey (Visitors)	88.9	88.9	88.9	88.9	89.6	89.6	89.6	89.6	89.6	89.6	89.5	89.5

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14
Percent of calls answered by a representative within 30 seconds	72.5	55.8	64.7	90.7	84.3	73.6	44.9	58.3	54.1	69.5	68.8	67.1
Complaints per 100,000 customers	1.8	2.1	2.4	2.0	2.1	1.8	1.8	1.3	1.8	1.5	1.2	1.2
Customer Assistance Center Survey (Callers)	89.6	89.6	89.6	89.6	89.7	89.7	89.7	89.7	89.7	89.7	91.6	91.6
Electric Emergency Contact Survey	88.3	88.3	88.3	88.3	84.3	84.3	84.3	84.3	84.3	84.3	87.7	87.7
Gas Emergency Contact Survey	94.0	94.0	94.0	94.0	91.1	91.1	91.1	91.1	91.1	91.1	90.3	90.3
Service Center Survey (Visitors)	89.5	89.5	89.5	89.5	90.5	90.5	90.5	90.5	90.5	90.5	90.9	90.9

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15
Percent of calls answered by a representative within 30 seconds	60.8	43.7	37.2	68.5	91.6	88.3	90.6	58.5	46.0	42.8	58.1	85.8
Complaints per 100,000 customers	1.0	1.0	1.5	1.3	1.8	1.5	1.7	1.5	1.3	1.6	1.6	1.2
Customer Assistance Center Survey (Callers)	91.6	91.6	91.6	91.6	89.5	89.5	89.5	89.5	89.5	89.5	90.9	90.9
Electric Emergency Contact Survey	87.7	87.7	87.7	87.7	86.4	86.4	86.4	86.4	86.4	86.4	91.1	91.1
Gas Emergency Contact Survey	90.3	90.3	90.3	90.3	91.8	91.8	91.8	91.8	91.8	91.8	91.0	91.0
Service Center Survey (Visitors)	90.9	90.9	90.9	90.9	91.9	91.9	91.9	91.9	91.9	91.9	91.0	91.0

	Jan-16	Feb-16	Mar-16									
Percent of calls answered by a representative within 30 seconds	64.7	56.2	78.4									
Complaints per 100,000 customers*	1.1	1.3	1.6									
Customer Assistance Center Survey (Callers)	90.9	90.9	90.9									
Electric Emergency Contact Survey	91.1	91.1	91.1									
Gas Emergency Contact Survey	91.0	91.0	91.0									
Service Center Survey (Visitors)	91.0	91.0	91.0									

***<u>Note</u>: As a result of recommendations made in the Operations Audit proceeding (13-M-0314), in January 2016 the Company ceased including indirect customers (i.e., master-metered or individual submetered customers) in its total population count for purposes of calculating the complaints per 100,000 customers *to be reported in the Company's monthly Performance Indicator Report*. The figures for January – March 2016 in the above table reflect this new calculation method. However, for purposes of the Company's CSPM *under the current rate plan*, the metric will continue to include indirect customers in the total population count.**

Company Name: Con Edison
Case Description: 2016 - Con Edison Electric and Gas Rate Filings
Case: 16-E-0060; 16-G-0061

Response to UIU Interrogatories – Set UIU-3
Date of Response: 05/05/2016
Responding Witness: Customer Operations Panel

Question No. : 76

With reference to Pages 47-48 of the Customer Operations Panel's testimony: the Company proposes a 1 basis point incentive for meeting a target implementation goal of December 31, 2017 and to implement GBC within a budget of $15 million.

a. What is the value of 1 basis point?

b. To clarify, is the Company proposing it receive a 1 basis point incentive only if it meets both goals or a 1 basis point incentive for each goal?

Response

With reference to Pages 47-48 of the Customer Operations Panel's testimony: the Company proposes a 1 basis point incentive for meeting a target implementation goal of December 31, 2017 and to implement GBC within a budget of $15 million.

a. What is the value of 1 basis point?

One basis point is equal to a 0.01% return on equity, which is equivalent to approximately $1.6 million based on the Company's proposed RY1 rate base.

b. To clarify, is the Company proposing it receive a 1 basis point incentive only if it meets both goals or a 1 basis point incentive for each goal?

To earn the proposed EIM of 1 basis point the Company must deliver the proposed GBC tool by December 31, 2107 and stay within its budget of $15 million.

Company Name: Con Edison
Case Description: 2016 - Con Edison Electric and Gas Rate Filings
Case: 16-E-0060; 16-G-0061

Response to UIU Interrogatories – Set UIU-3
Date of Response: 05/09/2016
Responding Witness: Customer Operations Panel

Question No. : 70

What documentation is currently required for a prospective customer who wishes to open a new account?

Response

The instructions that the Company's Customer Service Representatives (CSRs) follow to process applications for service are programmed into the CSR Desktop tool, which provides CSRs with the tools, messaging, business rules and scripts needed to interact with customers. Below is a description of the Desktop criteria for service turn-ons that require documentation.

Residential Turn-Ons

A prospective residential customer who wishes to open a new account is required to provide the CSR with his or her Social Security number and date of birth. The CSR verifies this information with the Company's credit reporting vendor. This verification process is referred to as the 'Positive ID' process.

In lieu of providing a Social Security number, the customer may also provide a driver's license number, non-driver's license number, public assistance number, passport number, or Alien Identification number.

If a residential customer is unable or does not wish to provide any identification and there is no credit action, inactive advance, or any other issues on the account, a security deposit can be accepted in lieu of documentation.

Additionally, documentation in the form of a lease, deed, or closing papers is required prior to accepting residential service applications in each of the following scenarios, accompanied with a Positive ID review:

1. Service is "Hot" and the prior account has arrears greater than $1,000.
2. Service is "Hot" and the account has an inactive advance greater than 1,000 kWh or 200 CCFs and the residential applicant does not pass the positive ID check or is unable to provide an alternate form of identification.

3. Service is "Hot" and the prior account has arrears greater than $250 but less than $1,000 and the residential applicant does not pass the Positive ID check.
4. Service is "Cold" and the prior residential account has arrears greater than $1,000 or an inactive advance greater than 1,000 kWh or 200 CCFs.
5. The predecessor was turned off for nonpayment or has a pending disconnect notice.

If the lease, deed or closing papers are questionable, or if there is a large account receivable balance, or if the prior account was turned off for non-payment, then the customer must also provide proof of prior address – i.e., any two bills and/or correspondence dated or postmarked within the last three months.

Commercial Turn-Ons

Documentation is required prior to accepting commercial service applications in each of the following scenarios.

1. If the prior account has an arrears balance greater than $1,000.
2. If the account has inactive consumption over 3,500 kWh/ 1,000 CCFs.
3. If the prior account does not meet the guidelines, the customer will be required to submit documentation.

Acceptable documentation for commercial turn-ons includes the following:

Individually-Owned Business or a Partnership (must provide all three items):

1. Lease or deed
2. Business Certificate or Certificate of Partners and
3. Tax ID or Social Security number

Incorporated Accounts (must provide all three items):

1. Lease or deed
2. Corporate papers—either:
    a. Certificate of Incorporation, or
    b. Filing receipt, or
    c. Letter from attorney stating name of corporation, filing date, and federal tax identification number
3. Bill of Sale (only in cases with arrears)

The Company's largest customers are handled by the Corporate Customer Group in Customer Operations. The following documentation is required for corporate customers that wish to open a new account:

1. Completed application form.
2. W-9, or documentation containing the federal tax identification number, including SS-4 letter issued by the IRS, tax return, or Certificate of Authority from the State.
3. Copy of lease/deed.
4. Certificate of Incorporation.

Current PSC Complaint Rate

Threshold Level	Revenue Adjustment
<= 2.3	N/A
> 2.3 <= 2.6	$2,000,000
> 2.6 <= 2.9	$5,000,000
> 2.9	$9,000,000

UIU Proposed PSC Complaint Rate

Threshold Level	Revenue Adjustment
<= 1.9	N/A
> 1.9 <= 2.2	$2,000,000
> 2.2 <= 2.5	$5,000,000
> 2.5	$9,000,000