

**Case 23-M-0103: In the Matter of a Comprehensive Management Audit of New York State  
Electric & Gas, and Rochester Gas and Electric**

# **Supplemental Implementation Plans**

**August 8, 2025**

New York State Electric & Gas Corporation

Rochester Gas and Electric Corporation

## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.1
<b>Recommendation Full Description</b>	Revise the Avangrid, NYSEG and RG&E organization and governance to comply with each element of the NYSPSC Order Adopting Staff Report and Approving Reorganization – Case 12-M-0066, et al. Provide a report to DPS demonstrating how each element has been satisfied.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	See below under Description and Scope of Plan
<b>Project Priority</b>	Low

### Implementation Team Leadership

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Noelle Kinsch	VP General Counsel Avangrid Networks, Inc.
<b>Project Manager/ Team Lead</b>	Jeff Rosenbloom	VP General Counsel NYSEG and RG&E

### Project Plan Version Control

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/2025	Jeff Rosenbloom	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Since issued in 2013, the Companies have complied with the NYSPSC Order Adopting Staff Report and Approving Reorganization – Case 12-M-0066, et al. (“Order”)

This recommendation is the subject of a Notice of Apparent Violation (“Notice”) issued to the Companies on May 19, 2025. The Companies responded to the Notice on June 9, 2025 (the “Response”). In the Response, the Companies explained how they are compliant with the above-referenced Order. The Companies anticipate that the subject matter of this recommendation will be addressed as part of that Notice process. Therefore, proposing an implementation plan is premature. Notwithstanding, the Companies will perform an assessment of the elements of the Order and will provide a report to DPS demonstrating how each element relevant to the Companies’ governance has been satisfied.

As required, the Companies are submitting this description and scope of plan. However, as noted in the Companies’ Response , the Companies are in compliance with the elements of the referenced Order and therefore, request that the Commission reject this recommendation.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>		<b>Brief Explanation</b>
<input type="checkbox"/>	High	
<input type="checkbox"/>	Moderate	
<input checked="" type="checkbox"/>	Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
Review relevant order and other relevant case documentation	12/01/2025	12/31/2025	TBD	Not Started
Prepare a report to DPS Staff	12/01/2025	12/31/2025	TBD	Not Started

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
No cost					
<b>Total</b>	\$0	\$0	\$0	\$0	\$0

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	\$0
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

Not applicable

**Final Deliverable(s)**

Report to DPS

**2023 NY Management Audit**

**Implementation Project Plan**

**Recommendation**

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.2
<b>Recommendation Full Description</b>	Develop SLAs that include detailed descriptions of services to be provided to clients such as NYSEG and RG&E.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted, included as part of 4.1
<b>Project Priority</b>	Medium

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

The Companies will update the service level agreements annually to reflect the current cost-allocation methodology . As part of this annual review, we will assess opportunities to streamline the process, while prioritizing accuracy over simplification (done through 4.1, see below). This addresses 3.2 as the detail descriptions will be updated annually within the service level agreements.

4.1 addresses the finding: Develop SLAs that include detailed descriptions of services to be provided to clients such as NYSEG and RG&E as the service level agreements are updated annually that include detail descriptions of services that are provided to clients such as NYSEG and RGE. The detail descriptions are updated annually within the service level agreements.

Refer to 4.1 for implementation plan.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
	High
X	Medium
	Low

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.3
<b>Recommendation Full Description</b>	Revise and update the CAM to provide a detailed list of functions and charges based on the level of products and services descriptions.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted, included as part of 4.1.
<b>Project Priority</b>	Medium

### Implementation Team Leadership

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

### Project Plan Version Control

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area (from 3.3: these updates will include a detailed list of functions with their charges).

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area. Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred. This will be available to the NYPSC upon request.

4.1 addresses the comment: Revise and update the CAM to provide a detailed list of functions and charges based on the level of products and services descriptions as this is done through the annual service level agreement process. The service level agreements will include a detailed list of functions and charges.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
	High
x	Medium
	Low

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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**2023 NY Management Audit**

**Implementation Project Plan**

**Recommendation**

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.6
<b>Recommendation Full Description</b>	Report SLA cost competitiveness to DPS on an annual basis.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted
<b>Project Priority</b>	Low

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/2025	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

This is combined with recommendation 3.5. As noted in 3.5, The Company will hire an outside consultant to prepare comparisons of cost competitiveness between NYSEG / RGE's current SLA's versus third party providers (for areas that can be outsourced). In addition to the steps in the plan in 3.5, this will be reported to DPS.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
High	
Moderate	
X Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
See the steps in implementation plan for recommendation 3.5				Awaiting Start
Provide study to NYPSC	Rate Year 2 of new rate case	Rate Year 2 of new rate case		Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		Nothing in addition to what is set forth in 3.5
<b>Estimated Incremental Cost (\$000)</b>		Nothing in addition to what is set forth in 3.5
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
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	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
Nothing in addition to what is set forth in 3.5					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	No estimated savings from this
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
X High	No estimated savings from this

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

Refer to Recommendation 3.5

**Final Deliverable(s)**

Refer to Recommendation 3.5

## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.7
<b>Recommendation Full Description</b>	Develop and include comprehensive SLA key performance metrics that pertain to all products and services provided. Report this information in SLAs and implementation plans. Provide updates to the extent information changes.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted, refer to 4.1 for implementation plan.
<b>Project Priority</b>	Low

### Implementation Team Leadership

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

### Project Plan Version Control

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area. Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred. As part of the meeting, there will be a discussion of the agreed-upon service level expectations from the previous year, plus expectations for the upcoming year (this discussion will address 3.7 by addressing quality concerns which directly reflects how well the services met the expectations of the NY President and executive team.). This will be available to the NYPSC upon request.

We continue to believe these recommendations (3.7) should not be implemented but have presented a plan to address 3.7 in 4.1. Measuring corporate services using volumes and units of measure is difficult due to the intangible, variable, and complex nature of services. Here's a breakdown of the key challenges. Unlike physical goods, services are not tangible and cannot be counted in the same way. For example: how do you count the "amount" of legal advice or IT support? There's no standard "unit" for many services, making volume measurement inherently tricky. Corporate services are often tailored to specific client needs, meaning: the same service (e.g., consulting) can vary greatly in scope, depth, and duration, two hours of consulting for one client might involve far more complexity than for another. This variability makes it hard to define a consistent unit of output. In services, quality often matters more than quantity. A single high-quality customer support interaction may be more valuable than ten low-quality ones. Measuring volume alone ignores the effectiveness or satisfaction delivered. There's no universal "unit" for many corporate services. Services often rely on human expertise, which is hard to quantify. The value of a lawyer's advice or a consultant's insight can't be easily measured in units. Much depends on the provider's skill, experience, and the client's context.

In addition, employees who deliver services under a service level agreement are subject to the same annual performance review process as all other staff. Any concerns regarding performance are addressed through that review process. Non performance of job duties is held to the same standard across Avangrid.

The Massachusetts Formula Allocation method is used when no direct or other reasonable cost benefit relationship can be determined among multiple services. The formula is widely recognized and accepted by regulators across North America.

Additional Information (Optional)

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Project Priority

Select One: *	Brief Explanation
<input type="checkbox"/> High	
<input type="checkbox"/> Moderate	
<input checked="" type="checkbox"/> Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.8
<b>Recommendation Full Description</b>	Provide measures of quality for SLA products and services.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted, this is being addressed through 4.1.
<b>Project Priority</b>	Medium

### Implementation Team Leadership

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

### Project Plan Version Control

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area. Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred. As part of the meeting, there will be a discussion of the agreed-upon service level expectations from the previous year, plus expectations for the upcoming year (this will address 3.8 by including a discussion of the service level expectations, which directly reflects how well the services met the expectations of the NY President and executive team.). This will be available to the NYPSC upon request.

4.1 addresses the comment: Provide measures of quality for SLA products and services as the annual report provided to the NY President and executive team will include a discussion of the service level expectations, which directly reflects how well the services met the expectations of the NY President and executive team.

We continue to believe these recommendations (3.8) should not be implemented but have presented a plan to address them here. Measuring corporate services using volumes and units of measure is difficult due to the intangible, variable, and complex nature of services. Here's a breakdown of the key challenges. Unlike physical goods, services are not tangible and cannot be counted in the same way. For example: how do you count the "amount" of legal advice or IT support? There's no standard "unit" for many services, making volume measurement inherently tricky. Corporate services are often tailored to specific client needs, meaning: the same service (e.g., consulting) can vary greatly in scope, depth, and duration, two hours of consulting for one client might involve far more complexity than for another. This variability makes it hard to define a consistent unit of output. In services, quality often matters more than quantity. A single high-quality customer support interaction may be more valuable than ten low-quality ones. Measuring volume alone ignores the effectiveness or satisfaction delivered. There's no universal "unit" for many corporate services. Services often rely on human expertise, which is hard to quantify. The value of a lawyer's advice or a consultant's insight can't be easily measured in units. Much depends on the provider's skill, experience, and the client's context.

In addition, employees who deliver services under a service level agreement are subject to the same annual performance review process as all other staff. Any concerns regarding performance are addressed through that review process. Non performance of job duties is held to the same standard across Avangrid.

The Massachusetts Formula Allocation method is used when no direct or other reasonable cost benefit relationship can be determined among multiple services. The formula is widely recognized and accepted by regulators across North America.

Additional Information (Optional)

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Project Priority

Select One: *	Brief Explanation
High	

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

x	Moderate	
	Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.9
<b>Recommendation Full Description</b>	Establish SLA economic performance premiums and penalties for all products and services provided.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	This is being addressed through 4.1.
<b>Project Priority</b>	Medium

### Implementation Team Leadership

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

### Project Plan Version Control

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

To ensure accountability and performance, economic penalties will be tied to SLA compliance. Any SLA breach will be treated as a contractual violation, with consequences ranging from renegotiation to termination of the SLA. Legal remedies, including litigation, may be pursued to recover losses. All failures will be reviewed, and appropriate actions will follow. Performance premiums will not be addressed as full compliance with the SLA is an already negotiated benefit. (addresses 3.9 through 4.1, refer to 4.1 for full plan).

We continue to believe these recommendations (3.9) should not be implemented but have presented a plan to address them here. Measuring corporate services using volumes and units of measure is difficult due to the intangible, variable, and complex nature of services. Here's a breakdown of the key challenges. Unlike physical goods, services are not tangible and cannot be counted in the same way. For example: how do you count the "amount" of legal advice or IT support? There's no standard "unit" for many services, making volume measurement inherently tricky. Corporate services are often tailored to specific client needs, meaning: the same service (e.g., consulting) can vary greatly in scope, depth, and duration, two hours of consulting for one client might involve far more complexity than for another. This variability makes it hard to define a consistent unit of output. In services, quality often matters more than quantity. A single high-quality customer support interaction may be more valuable than ten low-quality ones. Measuring volume alone ignores the effectiveness or satisfaction delivered. There's no universal "unit" for many corporate services. Services often rely on human expertise, which is hard to quantify. The value of a lawyer's advice or a consultant's insight can't be easily measured in units. Much depends on the provider's skill, experience, and the client's context.

To uphold consistent service quality and operational accountability, performance against Service Level Agreements (SLAs) will be continuously monitored. While formal performance rewards and penalties will not be implemented, economic adjustments and structured performance reviews may be considered, both for exceptional compliance and for instances of non-compliance. These actions will be undertaken in consultation with Human Resources and relevant business unit leads, reflecting the importance of meeting agreed-upon service standards. In cases of non-compliance, an internal review will be initiated. Outcomes may include revised service expectations, reallocation of resources, and escalation to senior leadership for resolution. All performance shortfalls will be subject to a structured evaluation process, with corrective actions identified and implemented to restore SLA compliance and maintain service integrity. (Please see response to 4.1)

The Massachusetts Formula Allocation method is used when no direct or other reasonable cost benefit relationship can be determined among multiple services. The formula is widely recognized and accepted by regulators across North America.

Additional Information (Optional)

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Project Priority

Select One: *	Brief Explanation
High	

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

x	Medium	
	Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

<b>Description of Expenditure *</b>	<b>Cost (\$000)</b>				
	<b>Absorbed in 2025 Budget</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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**2023 NY Management Audit**

**Implementation Project Plan**

**Recommendation**

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.10
<b>Recommendation Full Description</b>	Develop and report SLA true-up for budget amounts and invoice amounts based on actual volume of services, quality and cost at year-end.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted - addressed in 4.1
<b>Project Priority</b>	Medium

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area. Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred. As part of the meeting, there will be a discussion of the agreed-upon service level expectations from the previous year, plus expectations for the upcoming year. This will be available to the NYPSC upon request. The final actuals per the final report will be invoiced based on actual volumes of services and costs at year-end (from 3.10, addressed in 4.1).

See 4.1 for implementation plan.

4.1 addresses the comment: Develop and report SLA true-up for budget amounts and invoice amounts based on actual volume of services, quality and cost at year-end as the final amounts invoices are based on actual volumes of services and costs at year-end.

Additional Information (Optional)

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Project Priority

Select One: *	Brief Explanation
High	
Moderate	
Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
-----------------------------

**2023 NY Management Audit**

**Implementation Project Plan**

**Recommendation**

<b>Chapter</b>	3 – Governance and Management
<b>Recommendation Number</b>	3.12
<b>Recommendation Full Description</b>	Provide a detailed comparison of actual versus budgeted services/expenditures and invoice an amount at year-end with supporting variance information.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted, included as part of 4.1.
<b>Project Priority</b>	Medium

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area. Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred (as well as variances versus budget from 3.12). As part of the meeting, there will be a discussion of the agreed-upon service level expectations from the previous year, plus expectations for the upcoming year. This will be available to the NYPSC upon request.

Refer to the 4.1 plan.

4.1 addresses the comment: Provide a detailed comparison of actual versus budgeted services/expenditures and invoice an amount at year-end with supporting variance information. As 4.1 will include the estimates and the actuals provided to the NY President and executive team.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
High	
X Medium	
Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<i>Major Activities/ Milestones</i>	<i>Estimated Start Date</i>	<i>Estimated Completion Date</i>	<i>Actual Completion Date</i>	<i>Status</i>
				Completed
				Completed
				In-Progress
				Awaiting Start
				Awaiting Start
				Awaiting Start
				Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

Description of Expenditure *	Cost (\$000)				
	Absorbed in 2025 Budget	2026	2027	2028	Total
Incremental costs only (do not include internal labor)					
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

See Implementation Plan 4.1
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**Final Deliverable(s)**

See Implementation Plan 4.1
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## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	4 – Budget and Finance
<b>Recommendation Number</b>	4.1
<b>Recommendation Full Description</b>	Simplify the service company cost-allocation process. Increase the illustration and support documentation so the user can easily understand and verify the allocations to the FERC Form 1. Also, prepare an annual report that summarizes and supports the amounts charged to NYSEG and RG&E. Reporting should be provided to DPS during interim periods between rate cases to support affiliate charges
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopt
<b>Project Priority</b>	Medium

### Implementation Team Leadership

	Name	Title
<b>Executive Sponsor</b>	Andrea Vanluling	VP – Networks Controller
<b>Project Manager/ Team Lead</b>	Guillermo Fernandez	Corporate Controller

### Project Plan Version Control

Version #	Date	Author	Change Description
2	8/8/25	Guillermo Fernandez	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

## **Brief Project Overview**

### Description of Scope and Plan

Annually we will update the service level agreements to reflect the cost-allocation process. From 3.2: The detail descriptions will be updated annually within the service level agreements. As part of this process we will review for potential simplification of the process, prioritizing accuracy over simplification.

Annually, as part of the cost allocation manual, the NY President will be provided estimates for each of the costs of the services provided by area (from 3.3: these updates will include a detailed list of functions with their charges). Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred (as well as variances versus budget from 3.12). As part of the meeting, there will be a discussion of the agreed-upon service level expectations from the previous year, plus expectations for the upcoming year (this discussion will address 3.7 by addressing quality concerns and 3.8 by including a discussion of the service level expectations, which directly reflects how well the services met the expectations of the NY President and executive team.). This will be available to the NYPSC upon request. The final actuals per the final report will be invoiced based on actual volumes of services and costs at year-end (from 3.10).

After the preparation of the FERC Form 60, a reconciliation of the report provided to the NY President will be prepared versus the FERC Form 60.

We continue to believe these recommendations should not be implemented, but have presented a plan to address them below. Measuring corporate services using volumes and units of measure is difficult due to the intangible, variable, and complex nature of services. Here's a breakdown of the key challenges. Unlike physical goods, services are not tangible and cannot be counted in the same way. For example: how do you count the "amount" of legal advice or IT support? There's no standard "unit" for many services, making volume measurement inherently tricky. Corporate services are often tailored to specific client needs, meaning: the same service (e.g., consulting) can vary greatly in scope, depth, and duration, two hours of consulting for one client might involve far more complexity than for another. This variability makes it hard to define a consistent unit of output. In services, quality often matters more than quantity. A single high-quality customer support interaction may be more valuable than ten low-quality ones. Measuring volume alone ignores the effectiveness or satisfaction delivered. There's no universal "unit" for many corporate services. Services often rely on human expertise, which is hard to quantify. The value of a lawyer's advice or a consultant's insight can't be easily measured in units. Much depends on the provider's skill, experience, and the client's context.

The following addresses recommendation 3.9: To uphold consistent service quality and operational accountability, performance against Service Level Agreements (SLAs) will be continuously monitored. While formal performance rewards and penalties will not be implemented, economic adjustments and structured performance reviews may be considered, both for exceptional compliance and for instances of non-compliance. These actions will be undertaken in consultation with Human Resources and relevant business unit leads, reflecting the importance of meeting agreed-upon service standards. In cases of non-compliance, an internal review will be initiated. Outcomes may include revised service expectations, reallocation of resources, and escalation to senior leadership for resolution. All performance shortfalls will be subject to a structured evaluation process, with corrective actions identified and implemented to restore SLA compliance and maintain service integrity.

The Massachusetts Formula Allocation method is used when no direct or other reasonable cost benefit relationship can be determined among multiple services. The formula is widely recognized and accepted by regulators across North America.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
	High
X	Medium Minimal cost, moderate benefit
	Low

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
Annually we will update the service level agreements to reflect the cost-allocation process.	December 2025	January 2026		Awaiting Start
The detail descriptions will be updated annually within the service level agreements				
Annually, a report based on actuals (after final close of the books) will be provided to the NY President and executive team that summarizes actual costs incurred. This will include a discussion on service level expectations and a detailed list of functions with their charges	January 2026	April 2026		Awaiting Start
After the preparation of the FERC Form 60, a reconciliation of the report provided to the NY President will be prepared versus the FERC Form 60.	April 2026	May 2026		Awaiting Start
Identify any SLA breaches and any performance not provided will not be charged to NYSEG / RGE.	January 2027	April 2027		Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		10 hours
<b>Estimated Incremental Cost (\$000)</b>		Minimal
<b>Estimated Savings (\$000)</b>		None
<b>Source of Savings</b>		

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	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Other Benefits</b>		
<b>Risks</b>		

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Costs

<b>Select one:</b>		<b>Directions: *</b>
X	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

<b>Description of Expenditure *</b>	<b>Cost (\$000)</b>				
	<b>Absorbed in 2025 Budget</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Zero 2025-2028 incremental cost	0	0	0	0	0
<b>Total</b>					

\* List expected costs initially. Update as estimates change or actual costs become realized.

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Benefits

<b>Savings</b>	0
<b>Quantifiable (Other than Savings)</b>	None
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>		<b>Brief Explanation Risk(s) and Mitigation Plan</b>
<input checked="" type="checkbox"/>	Low	
<input type="checkbox"/>	Medium	
<input type="checkbox"/>	High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

Completion of reports to President.

**Final Deliverable(s)**

Provide DPS with the Reports to NY President

## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	7 – Project Management
<b>Recommendation Number</b>	7.1
<b>Recommendation Full Description</b>	<p>Develop industry-accepted Work Breakdown Structures (WBS) for capital programs/projects and use WBSs in initial phases of project justification and conceptual estimating. Continue refinement as a project progresses.</p> <p>1.1. Develop well-defined work packages that can be used to track and measure project performance based on earned value.</p> <p>1.2. Plan work in logical work groupings or packages and subdivide into smaller work groupings.</p> <p>1.3. Ensure that activities required to perform work in each group are identified and defined, and that dependent relationships are established.</p> <p>1.4. Formalize use of WBS elements by all project participants in their respective areas of responsibility and as an identification tool for project-management performance measurement.</p> <p>1.5. Use new WBSs in procurement/contracting activities and specify WBS in contractor framework agreements.</p> <p>1.6. Use new WBSs for project costing and as a means to assess impact of programmatic changes in funding levels on work content, schedules and contractual support.</p> <p>1.7. Prepare cost estimates for each WBS element to assist budgeting and project validation.</p> <p>1.8. Integrate new WBSs with Avangrid’s accounting systems, project cost-management systems and schedule-management system (Primavera P6).</p> <p>1.9. Integrate master work plans and detailed contractor schedules/activities into new WBS to permit integration of schedule information and to facilitate review of status reports and change proposals.</p> <p>1.10. Refine detailed project estimates initially prepared by WBS element and follow manner in which project work was planned, scheduled, estimated, funded and executed.</p> <p>1.11. Keep all final, detailed program/project WBSs in project folder for regulatory and audit purposes.</p>
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted
<b>Project Priority</b>	Medium

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Alfonso Mugueta	VP: Tech. Services, Environmental & Initiatives
<b>Project Manager/ Team Lead</b>	Jon Randall	Director: Portfolio Controls

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2.0	8/8/2025	Jon Randall	Revised Project Plan

## **Brief Project Overview**

### Description of Scope and Plan

As explained and shown in previous DR response NYMA-0919B SUPP, including NYMA-0919B SUPP Attachment 1, Avangrid Networks has a well-defined, industry accepted Work Breakdown Structure in the templates used for all new major capital project schedules.

*Develop industry-accepted Work Breakdown Structures (WBS) for capital programs/projects and use WBSs in initial phases of project justification and conceptual estimating. Continue refinement as a project progresses.*

*1.1. Develop well-defined work packages that can be used to track and measure project performance based on earned value.*

An industry accepted Work Breakdown Structure currently exists in capital project schedule templates and is being utilized (reference previous DR response NYMA-0919B SUPP, including NYMA-0919B SUPP Attachment 1). These project schedule templates enable project teams to track and measure earned value at the subproject and project level. Earned value will not be tracked at the detailed individual work package level at this time. This is due to the configuration of the company's accounting system of record, SAP. The limitation is related to how the system sums actual costs to higher level cost categories for monthly reporting of actuals. The earned value at the sub-project and project level is accurate, based on the summation actuals, and is an appropriate indicator of project performance.

*1.2. Plan work in logical work groupings or packages and subdivide into smaller work groupings.* Work is planned in the different groupings identified in the WBS and subdivided into smaller groupings. Examples include Engineering WBS subdivided into Conceptual/Detailed/SP&C 3-7 WBS elements, and Construction WBS subdivided into Pre-Construction, In-Ground, Above-Ground, Vendor Install, Outages, Other.

*1.3. Ensure that activities required to perform work in each group are identified and defined, and that dependent relationships are established.*

Major capital project templates have between 600-800 activities with predefined relationships, resources, and coding.

*1.4. Formalize use of WBS elements by all project participants in their respective areas of responsibility and as an identification tool for project-management performance measurement.*

Project teams review large capital project schedules monthly by WBS/activity for applicable stakeholders.

*1.5. Use new WBSs in procurement/contracting activities and specify WBS in contractor framework agreements.*

Many framework agreements are established for use by all projects/programs at a particular operating company, across different execution business areas, and at times for multiple services/deliverables not specific to a particular scope of work. This would require specifying/listing hundreds or thousands of schedule WBS elements in procurement/contracting activities and contractor frameworks. Additionally, limiting framework agreements to a specific work breakdown structure has the potential to create disputes were the schedule WBS to be elaborated, modified, or if specific activities in the schedule supported by the vendor were moved to a different WBS element. Further, the POs that are created from the framework agreements are assigned to project specific accounting structures and tracked as a financial obligation for that project. This is a more specific association of contractor deliverables to specific projects. For those reasons, associating the specific WBS elements of a project schedule into procurement/contracting activities and specifying in contractor framework agreements is not a recommended practice. The company proposes that this portion of the recommendation is not implemented. However, an action plan has been provided to identify whether opportunities exist to correlate schedule WBS with contracts/frameworks.

*1.6. Use new WBSs for project costing and as a means to assess impact of programmatic changes in funding levels on work content, schedules and contractual support.*

Cost loaded activities exist within each WBS. The activities are updated as funding changes impact scope, schedule, and vendor support.

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1.7. *Prepare cost estimates for each WBS element to assist budgeting and project validation.*  
 Project estimates are currently being mapped/loaded to the WBS elements within each schedule manually as the Schedule Cost Controllers cost load projects. However, opportunity for standardization of WBS based breakouts within estimating tools, along with addition of more WBS elements to be considered in estimates exists. This initiative will coordinate this with recommendation VII-2 cost estimating enhancements to include these improvements.

1.8. *Integrate new WBSs with Avangrid’s accounting systems, project cost-management systems and schedule-management system (Primavera P6).*

The WBS originates/currently exists in the schedule-management system, P6, which is also the cost-management system for forecasting. Due to the configuration of the company’s accounting system of record, SAP, as noted above in 1.1, there is a limitation on the ability to modify the global accounting system to integrate new coding, including associating the schedule WBS’. While Avangrid’s accounting system is utilized for numerous functions, mimicking complex WBS structures is not one of them. However, associating the accounting structure to projects is currently accomplished by complex mapping from SAP to Primavera P6 which allows for consistent, accurate and automated capturing of project costs (both CAPEX and RBA), albeit at a rolled up level consistent with the requirements of stakeholders. The company proposes that this portion of the recommendation related to integrating project WBS’ with Avangrid’s accounting system is not implemented. However, an action plan has been provided to identify whether opportunities exist to integrate schedule WBS’ with the SAP accounting system.

1.9. *Integrate master work plans and detailed contractor schedules/activities into new WBS to permit integration of schedule information and to facilitate review of status reports and change proposals.*

Project teams currently reflect key milestones and deliverables from the construction vendor in the project schedule and use this to track important timeframes and deliverables. They use this schedule to review status with the vendor. Individual activities--often hundreds and up to thousands of activities for field work--are tracked by the vendor. The level of effort (and associated resource costs) to repeatedly integrate those activities into the P6 master work schedule, including statusing each activity and keeping them in alignment with the vendor’s version of the schedule, is a level of effort that would require more resources and would outweigh the cost benefit.

1.10. *Refine detailed project estimates initially prepared by WBS element and follow manner in which project work was planned, scheduled, estimated, funded and executed.*

This will be accomplished when 1.7 and recommendation VII-2 are complete, at which time the estimating organization will be creating/refining detailed estimates that include a breakdown by WBS.

1.11. *Keep all final, detailed program/project WBSs in project folder for regulatory and audit purposes.*

The company maintains all detailed program/project WBS information in Primavera P6 enterprise scheduling software which is exportable to a .pdf document on demand. This cloud hosted database stores project schedules (planned, active and completed) and is the system that will store all final, detailed program/project WBS for regulatory and audit purposes.

Additional Information (Optional)

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Project Priority

	<b>Select One: *</b>	<b>Brief Explanation</b>
	High	
x	Medium	Moderate based on most recommendations being already complete. Timeline will be dependent on start/status/completion of recommendation VII-2.
	Low	

\* High = low cost, high benefit / Low = high cost, low benefit

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**Schedule**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<p>1.1 – <i>“Develop well-defined work packages that can be used to track and measure project performance based on earned value.”</i></p> <p>Utilize standardized project templates that include an industry recognized Work Breakdown Structure (WBS).</p> <p>Template WBS structures available by request.</p>				Complete
<p>1.2 – <i>“Plan work in logical work groupings or packages and subdivide into smaller work groupings.”</i></p> <p>Utilize standardized project templates that include work groupings and packages subdivided into smaller groupings.</p> <p>Templates with work groupings subdivided into smaller groupings available upon request.</p>				Complete
<p>1.3 – <i>“Ensure that activities required to perform work in each group are identified and defined, and that dependent relationships are established.”</i></p> <p>Utilize standardized project templates that include activities required to perform work with dependent relationships established.</p> <p>Templates with detailed activities and dependent relationships established available upon request.</p>				Complete

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<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<p>1.4 – <i>“Formalize use of WBS elements by all project participants in their respective areas of responsibility and as an identification tool for project-management performance measurement.”</i></p> <p>Review schedule monthly by WBS/Activity for applicable stakeholders.</p> <p>Templates visible by standardized WBS layouts available upon request.</p>				Complete
<p>1.5 – <i>“Use new WBSs in procurement/contracting activities and specify WBS in contractor framework agreements.”</i></p> <p><b>**Please refer to “Description of Scope and Plan” Section 1.5 for detailed explanation **</b></p> <p>Action plan provided.</p>	September 2025	December 2027		The company proposes that the recommendation to integrate WBS’ with contractor frameworks/contracts is not implemented. Action plan provided should the recommendation be implemented.
<p><b>Phase 1</b></p> <p><b>1.5a: Analyze Current Procurement &amp; Contracting Models</b></p> <ul style="list-style-type: none"> <li>• How are framework agreements structured?</li> <li>• What coding or categorization is used for scope, deliverables, and payments?</li> <li>• Are there existing links to project controls or cost codes?</li> </ul>	September 2025	February 2026		

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<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<b>1.5b: Identify Gaps and Opportunities</b> <ul style="list-style-type: none"> <li>• Where do WBS and procurement structures diverge?</li> <li>• What manual workarounds exist?</li> <li>• What systems or tools are used (e.g., ERP, scheduling, contract management)?</li> </ul>				
<b>Phase 2</b> <b>1.5c: Develop Use Cases</b> <ul style="list-style-type: none"> <li>• Determine potential for mapping WBS elements to contract line items or payment milestones.</li> <li>• Consider different contract types (lump sum, unit rate, T&amp;M).</li> </ul>	February 2026	July 2026		
<b>1.5d: Evaluate System Capabilities and Assess Risks/Constraints</b> <ul style="list-style-type: none"> <li>• Can frameworks/contracts in SAP, and Primavera P6 WBS' support integration?</li> <li>• Are there software customization needs?</li> <li>• Are there legal implications of WBS-based contracts?</li> <li>• What change management/training would be required?</li> <li>• What contractors would be willing/able to comply?</li> </ul>				

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<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<p><b>Phase 3</b>  <b>1.5e: Recommendations &amp; Next Steps</b></p> <ul style="list-style-type: none"> <li>Summarize benefits, challenges, and feasibility.</li> <li>Develop recommendation for system/process changes.</li> <li>Present to leadership to share findings and obtain buy-in for next steps.</li> </ul>	July 2026	December 2026		
<p><b>Phase 4</b>  <b>1.5f: Implement recommendations as applicable</b></p> <ul style="list-style-type: none"> <li>Carryout recommended system/process changes.</li> </ul>	December 2026	December 2027		
<p>1.6 – <i>“Use new WBSs for project costing and as a means to assess impact of programmatic changes in funding levels on work content, schedules and contractual support.”</i></p> <p>Cost load activities within the different WBS elements of each schedule depending on scope. Update activities as funding changes impact scope, schedule, and vendor support to assess impact of changes in funding levels on work content, schedules and contractual support.</p> <p>Examples of cost loaded schedules with comparison to previous baselines showing changes in funding levels available upon request.</p>				Complete

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<p>1.7 – <i>“Prepare cost estimates for each WBS element to assist budgeting and project validation.”</i></p> <p>Provide standardized template WBS elements to estimating group for incorporation in estimation tools.</p>	September 2025	June 2026		Awaiting Start
<p>1.8 – <i>“Integrate new WBSs with Avangrid’s accounting systems, project cost-management systems and schedule-management system (Primavera P6).”</i></p> <p>Use standardized project templates that include an industry recognized Work Breakdown Structure (WBS) in the company cost-management system (Primavera P6) and schedule-management system (Primavera P6).</p> <p><b>**Please refer to “Description of Scope and Plan” Section 1.8 for detailed explanation**</b></p> <p>Template WBS structures in the P6 cost/schedule-management system available by request.</p> <p>Action Plan provided.</p>	September 2025	December 2027		Complete for cost/schedule management system integration. The company proposes that the recommendation to integrate WBS’ with the SAP accounting system is not implemented. Action plan provided should the recommendation be implemented.
<p><b>Phase 1</b></p> <p><b>1.8a: Analyze Current Systems and Process</b></p> <ul style="list-style-type: none"> <li>• How is WBS currently structured in Primavera P6?</li> <li>• How is SAP structured for capital project accounting (e.g., WBS elements, internal orders, cost centers)?</li> <li>• What is the current level of integration, if any?</li> </ul>	September 2025	February 2026		

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<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
<ul style="list-style-type: none"> <li>Identify manual workarounds or data reconciliation efforts.</li> </ul>				

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<p><b>1.8b: Identify Integration Points and Gaps</b></p> <ul style="list-style-type: none"> <li>• Where do WBS structures and SAP accounting objects align or diverge? <ul style="list-style-type: none"> <li>○ Project Definition</li> <li>○ SAP WBS</li> <li>○ Orders</li> </ul> </li> <li>• Consider different project types and accounting structures.</li> </ul>				
<p><b>Phase 2</b> <b>1.8c: Develop Use Cases</b></p> <ul style="list-style-type: none"> <li>• Potential for mapping WBS elements to SAP cost objects (e.g., WBS elements, orders, etc.)</li> <li>• Determine what is gained from different use cases, if anything.</li> </ul>	February 2026	July 2026		
<p><b>1.8d: Evaluate System Capabilities and Constraints</b></p> <ul style="list-style-type: none"> <li>• Can SAP and P6 support the integration?</li> <li>• Is customization of either system required?</li> <li>• Is custom data integration software required to move data back and forth?</li> </ul>				
<p><b>Phase 3</b> <b>1.5e: Recommendations &amp; Next Steps</b></p> <ul style="list-style-type: none"> <li>• Summarize benefits, challenges, and feasibility.</li> <li>• Develop recommendation for system/process changes.</li> <li>• Present to leadership to share findings and obtain buy-in for next steps.</li> </ul>	July 2026	December 2026		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

<p><b>Phase 4</b>  <b>1.5f: Implement recommendations as applicable</b></p> <ul style="list-style-type: none"> <li>• Carryout recommended system/process changes.</li> </ul>	December 2026	December 2027		
<p>1.9 – <i>“Integrate master work plans and detailed contractor schedules/activities into new WBS to permit integration of schedule information and to facilitate review of status reports and change proposals.”</i></p> <p>Current process is to incorporate contractor schedules/activities into project schedules for key, high level milestones and deliverables.</p> <p>Examples available upon request.</p>				Complete
<p>1.10 – <i>“Refine detailed project estimates initially prepared by WBS element and follow manner in which project work was planned, scheduled, estimated, funded and executed.”</i></p> <p>Estimating group incorporate standardized template WBS elements into estimation tools and refine estimates within those WBS elements as execution progresses.</p>	September 2025	June 2026		Awaiting Start
<p>1.11 – <i>“Keep all final, detailed program/project WBSs in project folder for regulatory and audit purposes.”</i></p> <p>The company maintains all detailed program/project WBS information in Primavera P6 enterprise scheduling software which is exportable to a .pdf document on demand.</p> <p>Examples available upon request.</p>				Complete

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>	0	0
<b>Estimated Incremental Cost (\$000)</b>	0	0
<b>Estimated Savings (\$000)</b>	0	0
<b>Source of Savings</b>	0	0
<b>Other Benefits</b>	0	0
<b>Risks</b>	0	0

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
X	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2025 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

<b>Description of Expenditure *</b>	<b>Cost (\$000)</b>				
	<b>Absorbed in 2025 Budget</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Incremental costs only (do not include internal labor)	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	0
<b>Quantifiable (Other than Savings)</b>	0
<b>Not Quantifiable</b>	0

Risks

<b>Select One: *</b>		<b>Brief Explanation Risk(s) and Mitigation Plan</b>
X	Low	Risk of WBS in estimating tools being out of alignment with template schedule WBS elements as they continue to be refined and improved in the future. Mitigated by having consistent touchpoints with the team that owns the estimation tools.
	Medium	
	High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

<ul style="list-style-type: none"> <li>Estimate items are consistently assigned to standardized WBS elements for cost loading in corresponding P6 WBS elements.</li> </ul>
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**Final Deliverable(s)**

<p>Presentation to DPS with the following:</p> <ul style="list-style-type: none"> <li>WBS structure for projects provided for use in estimating tools/SOP.</li> <li>Cost Management SOP.E.CD.04.04 and estimating tools updated with standardized WBS to be used in the preparation and refinement of estimates.</li> </ul>
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**2023 NY Management Audit**

**Implementation Project Plan**

**Recommendation**

<b>Chapter</b>	7 – Project Management
<b>Recommendation Number</b>	7.4
<b>Recommendation Full Description</b>	Integrate CLCPA requirements into electric and gas capital project-prioritization process/algorithm. Review requirements and prioritization process/algorithm with DPS.
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Adopted
<b>Project Priority</b>	Moderate

**Implementation Team Leadership**

	<b>Name</b>	<b>Title</b>
<b>Executive Sponsor</b>	Adam O’Laughlin	Senior Director – Investment Planning
<b>Executive Sponsor</b>	Juan Vicente Martinez	Senior Director – Advanced Planning
<b>Project Manager/ Team Lead</b>	Juan Carlos Lluberes	Lead Engineer – Advanced Planning

**Project Plan Version Control**

<b>Version #</b>	<b>Date</b>	<b>Author</b>	<b>Change Description</b>
2.0	8/8/2025	Adam O’Laughlin	Project Project Plan

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**Brief Project Overview**

Description of Scope and Plan

The Companies prioritization methodology presently includes a rating category for Strategy and Efficiency, which is where factors related to CLCPA requirements are captured in the prioritization scoring. The audit does not state any aspects of CLCPA requirements which the current prioritization does not account for, nor does the company feel that the current methodology does not comply with the objectives and requirements of CLCPA. However, as the company evaluates the prioritization process and makes updates in response to the implementation plan in 7.3, it will review the CLCPA requirements and discuss with DPS staff any opportunities for enhancement/improvement and integrate that feedback into the process and calculation.

Additional Information (Optional)

This recommendation is dependent upon work and activities taking place as part of recommendation 7.3. The prioritization worksheets and tools as part of the implementation plan for recommendation 7.3 need to include any modification to the requirements and associated scoring for aspects related to CLCPA requirements.

Additionally, the audit did not identify any requirements of CLCPA that the prioritization methodology does not account for, nor does the Company feel that this methodology does not comply with any requirements of CLCPA. The company will, as a result of the recommendation, conduct an assessment of the prioritization scoring methodology against CLCPA requirements and review them with DPS staff. If any gaps are identified, the company will implement changes to the prioritization scoring to address any gaps identified.

Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
High	
X Moderate	This is a low cost recommendation, however do gaps in the current methodology as it pertains to the requirements of CLCPA were identified by the audit. Therefore changes, if any, are unlikely to have a material benefit to the output of the prioritization.
Low	

\* High = low cost, high benefit / Low = high cost, low benefit

**Schedule**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
Develop Prioritization Scoring Worksheet			2/1/2025	Complete
Scoring Matrix: Review and Update guidelines/criteria		8/1/2025		Complete
Develop Prioritization Tool		12/30/2025		In-Progress
Implement Prioritization Scoring approval workflow		4/1/2026		Awaiting Start
CLCPA Considerations		6/1/2026		Awaiting Start
Review with DPS		7/1/2026		Awaiting Start
Project Completion		9/1/2026		Awaiting Start

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		
<b>Estimated Incremental Cost (\$000)</b>		
<b>Estimated Savings (\$000)</b>		
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
x	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
	2. 2025 incremental cost, if any, will be absorbed in existing budget. Little or no 2026-2028 incremental cost.	Complete cost table
	3. 2025 incremental cost, if any, will be absorbed in existing budget. Material 2026-2028 incremental cost.	Complete cost table
	4. 2015 incremental cost, if any, will be absorbed in existing budget. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "TBD" for future years)
	5. Project will start when funding available for incremental costs. Project will begin with a study, evaluation, and/or pilot (Phase I). Study/ evaluation/pilot will develop Phase II budget. Milestone included in schedule to produce Phase II budget.	Complete cost table (Enter "0" in 2025 column, assume Phase I funding to conduct project will be available as of 2026, and enter "TBD" for Phase II years)
	6. Project will start when funding available for incremental costs.	Complete cost table (Enter "0" in 2025 column, and assume funding to conduct project will be available as of 2026)

\* Based on selection, use corresponding Directions to complete the Cost Table below.

Cost Table

<b>Description of Expenditure *</b>	<b>Cost (\$000)</b>				
	<b>Absorbed in 2025 Budget</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Incremental costs only (do not include internal labor)	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>	<b>Brief Explanation Risk(s) and Mitigation Plan</b>
Low	
Medium	
High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

Agreement from NY DPS staff that the Companies prioritization process (current or modified) meets the objectives and requirements of CLCPA
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**Final Deliverable(s)**

Prioritization process inclusive of CLCPA requirements.
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## 2023 NY Management Audit

# Implementation Project Plan

### Recommendation

<b>Chapter</b>	10 – Physical and Cyber Security
<b>Recommendation Number</b>	10.2
<b>Recommendation Full Description</b>	Formalize CSMP expectations and planned outcomes with DPS. Provide testimony in future NYSEG and RG&E rate cases regarding CSMP expectations. Furthermore, provide DPS with semi-annual Avangrid CSMP reports going forward. At minimum, these reports should include metrics for scope, cost, schedule and resource management, plus earned value. Provide DPS with detailed variance reporting, with verifiable justification for all variances. Notify DPS of all Avangrid NIST CSF maturity assessments in terms of timing, scope, cost and vendor selection. Provide all signed Avangrid contracts, procurement assessments and full study results going forward. Meet with DPS to finalize CSMP expectations, outcomes and all reporting requirements
<b>NorthStar Priority</b>	High
<b>Adopted, Modified, or Rejected</b>	Modified
<b>Project Priority</b>	High

### Implementation Team Leadership

	Name	Title
<b>Executive Sponsor</b>	Brian Harrell	VP and CSO
<b>Project Manager/ Team Lead</b>	Jeri Teller-Kanzler	Director OT Cybersecurity/Director Governance

### Project Plan Version Control

Version #	Date	Author	Change Description
2	8/8/25	Jeri Teller-Kanzler	Revised Project Plan

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Brief Project Overview**

Description of Scope and Plan

The CSMP (Cyber Security Master Plan), as of the end 2024, due to Company restructuring and other reasons, no longer exists.

The CSMP, managed by the CA&C (Cyber Assurance & Compliance) team, was initiated in 2021 to provide an approach to increasing cybersecurity program maturity for Avangrid Networks. The CSMP was composed of a set of cyber industry best practice projects, in alignment with NIST's CSF (National Institute of Standards & Technology Cyber Security Framework).

The CA&C was responsible for cybersecurity oversight of the Operational Technology (OT) environment and as such, implementation of the projects that made up the CSMP.

In 2024, the CA&C was re-structured. Cybersecurity resources were transitioned to Corporate Security; Compliance resources remained in OSG (OT). These changes, along with transitioned projects were presented and reviewed with NYS DPS during the April 25, 2025, NYS DPS NIST-CSF Maturity Review meeting.

See below for major milestones and activities.

Additional Information (Optional)

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Project Priority

<b>Select One: *</b>	<b>Brief Explanation</b>
<input type="checkbox"/> High	
<input type="checkbox"/> Medium	
<input checked="" type="checkbox"/> Low	Moderate cost, low benefit

\* High = low cost, high benefit / Low = high cost, low benefit

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

**Schedule**

<b>Major Activities/ Milestones</b>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>	<b>Actual Completion Date</b>	<b>Status</b>
Formalize CSMP changes, expectations and planned outcomes with DPS.	April 25, 2025	May 1, 2025	April 25, 2025	Complete
Schedule semi-annual meetings with DPS to report progress	October 1, 2025	December 31, 2026		In Process
Provide testimony in future NYSEG and RG&E rate cases regarding Cybersecurity projects	March 1, 2025	December 31, 2029		In Process

**Cost, Benefit, and Risk Summary**

	<b>NorthStar Consulting</b>	<b>Company</b>
<b>Estimated Existing Internal Labor (FTEs)</b>		0
<b>Estimated Incremental Cost (\$000)</b>		0
<b>Estimated Savings (\$000)</b>		0
<b>Source of Savings</b>		
<b>Other Benefits</b>		
<b>Risks</b>		

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Costs

<b>Select one:</b>		<b>Directions: *</b>
x	1. Zero 2025-2028 incremental cost	Enter "0" in each cost column in <b>Total</b> row
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Incremental costs only (do not include internal labor)	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

\* List expected costs initially. Update as estimates change or actual costs become realized.

**Case 23-M-0103: Comprehensive Management and Operations Audits of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation**

Benefits

<b>Savings</b>	
<b>Quantifiable (Other than Savings)</b>	
<b>Not Quantifiable</b>	

Risks

<b>Select One: *</b>		<b>Brief Explanation Risk(s) and Mitigation Plan</b>
<input checked="" type="checkbox"/>	Low	
<input type="checkbox"/>	Medium	
<input type="checkbox"/>	High	

\* Level of risk that net savings and benefits will not be achieved

**Measures of Success**

Meeting with DPS to review modifications to the CSMP.

**Final Deliverable(s)**

Continued semi-annual meetings with DPS with updates regarding the projects associated with the original plan.