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Regulatory Affairs

November 1, 2016

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Agency Building 3
Albany, NY 12223-1350

Re: Case 14-M-0101 – *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Central Hudson Gas & Electric Corporation's Aggregated Data Policy Statement

Dear Secretary Burgess:

In compliance with the Order Adopting a Ratemaking and Utility Revenue Model Policy Framework ("Track 2 Order") issued by the New York State Public Service Commission ("Commission") on May 19, 2016 in Case 14-M-010, Central Hudson Gas & Electric Corporation ("Central Hudson") submits this letter as its Aggregated Data Privacy Policy Statement.

Central Hudson is committed to maintain the privacy of its customers' data that it collects during the customer application process, through customer interactions and the provision of utility service. Central Hudson is keenly aware that, due to changing technology and increases in customer communication with Central Hudson and third parties, customers suffer an increased risk of identity theft and other bad acts. As a result of the circumstances under which Central Hudson provides utility service it has developed, maintains and continuously improves its data security policy.

Central Hudson defines aggregated data as data that has been summed or otherwise combined across a group of accounts. Aggregated data is made up of customer specific data. Customer specific data is confidential data that may be used for the provision of utility service or to permit non-utility vendors to market goods and

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services to customers. Thus, aggregated data falls into two categories: customer data aggregated by the utility or its vendor for the provision of utility service; or customer data aggregated by third party vendors, including community choice aggregators ("CCA") and their energy service company(s) ("ESCO") for the purpose of selling competitive services or products to customers.

Central Hudson uses, and will continue to use, aggregated data to help it provide safe and reliable utility service at a reasonable cost. When Central Hudson aggregates data it anonymizes customer data so that if it is used in public no customer can be identified or, if the data cannot be anonymized, it protects the data as confidential customer data.

In order to anonymize customer data Central Hudson has adopted a base policy that customer data is anonymized if more than 15 customers are grouped together and no single customer has more than 15% of the data set ("15/15") where that data set is load, cost, price or other applicable data. If Central Hudson hires a vendor to assist Central Hudson to provide utility service and the vendor receives confidential customer data for any purpose, including the anonymization of the confidential customer data, consistent with the Commission's Order Authorizing Acquisition Subject to Conditions Issued and Effective June 26, 2013 in Case 12-M-0192, Central Hudson requires the vendor to execute a non-disclosure agreement ("NDA"). The NDA, approved by the Commission in Case 12-M-0192, requires vendors to protect customer information just as Central Hudson does.

Central Hudson recognizes that some parties consider the 15/15 standard to be restrictive to the needs of the market participants, however, Central Hudson believes this admittedly conservative approach is the right standard to adopt at the outset of a changing environment for service provision that Reforming the Energy Vision ("REV") envisions. REV requires the Distributed System Platform Provider ("DSP") to be responsive to customer needs. Central Hudson, as the DSP, must facilitate the provision of services to customers in the competitive markets but do so while safeguarding customer data. The provision of customer data both specific and aggregated is one of the services that customers want and that utilities will provide

under REV. As REV develops Central Hudson will continuously evaluate the application of the 15/15 standard to provide the right balance necessary to meet customer service needs and yet still protect customer data. Central Hudson will apply the 15/15 standard in a non-discriminatory manner that will provide as much data transparency as possible while maintaining the confidentiality of customer data.

Central Hudson currently provides third party competitive providers with anonymized aggregated data. If, however, the third party competitive provider needs customer data, it must receive customer authorization and execute an NDA, or a contract with a confidentiality provision, before Central Hudson will transfer the confidential customer data. A third party competitive provider receiving customer data must also execute a contract that commits it to use the same standard to anonymize confidential customer data as used by Central Hudson.

Central Hudson's aggregated data policy is consistent with its filed Distributed System Implementation Plan ("DSIP") and the supplemental DSIP that the Joint Utilities will file December 1, 2016. In this manner Central Hudson, as part of the Joint Utilities, is implementing a consistent state aggregated data privacy policy that will allow customers and third party competitive providers to utilize as they operate in all parts of the state.

Central Hudson's privacy policy is available to customers on its website for customers to access. Customers, therefore, know that their information is protected and not available for sale to a third party competitive provider unless they authorize the transfer of information.

Central Hudson encourages the Commission to adopt the aggregated data privacy policy the Joint Utilities will propose in the supplemental DSIP and that Central Hudson has discussed herein and proposed as part of its Initial DSIP at 130. Once the Commission adopts an aggregated data privacy policy Central Hudson will adjust its existing aggregated data privacy policy to account for any changes required.

Please contact the undersigned at (845)486-5831 or pcolbert@cenhud.com with any questions regarding this matter.

Respectfully submitted,



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