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September 4, 2008

Hon. Jaclyn A. Brillling,  
Secretary  
State of New York Public  
Service Commission  
Three Empire State Plaza  
Albany, NY 11223-1350

RE: Case 07-E-0523 - Con Edison Electric Rates  
Expansion of ESCO Referral Program for New Service Customers  
Access to Retail Access Information System for non-ESCOs

Dear Secretary Brillling:

In response to reports filed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") regarding (1) expansion of its ESCO Referral Program to new service customers and (2) access to its Retail Access Information System ("RAIS"), five parties submitted comments on the first proposal and one on the second. The Company responds to comments and questions posed by these parties.

**Expansion of the ESCO referral program for new service customers**

**(1) Text of script to be used by Customer Service Representatives ("CSRs")**

National Energy Marketers Association ("NEM") and the Small Customer Marketer Coalition ("SCMC") asked whether ESCOs would be permitted to have input on the text of the script. They asked that applicants be specifically informed about the timing of enrollment in retail access gas service because of the possibility that the customer will receive an initial gas supply bill from Con Edison. They expressed concern that new customers might otherwise not understand why a Con Edison gas commodity bill was initially issued to them.

**Response:**

Participating ESCOs will have an opportunity to review and comment on the Company's script for new customers before it goes into effect, and they will be advised of and given an opportunity to comment on subsequent substantive revisions. The revised script will include language that explains that when a new gas customer enrolls in retail access through PowerMove, the customer will be informed about the timing of enrollment in retail access gas service, which always occurs on the first day of the calendar month.

## (2) Additional CSR staffing

NEM and the New York State Energy Markers Coalition (“NYSEMC”) contended that the Company had overstated its need for additional call center personnel to handle calls involving PowerMove for new customers.

### Response:

In approving the Company’s electric rate request in March 2008, the Public Service Commission extended the Customer Service Performance Incentive (“CSPI”) mechanism that had been in effect during the previous rate plan. Under the CSPI, the Company is required to answer within 30 seconds a certain percentage of calls in which the caller requests to speak with a CSR. All calls for new service must be addressed by a CSR. Five new CSRs are required to maintain this PSC-mandated customer service level.

The Company does not include slack time in its budget nor experience measurable down time among its CSRs. The Company determined that it can expect an average incremental time of 1.4 minutes on each call in which the offer of PowerMove is made to applicants for new service. This was determined by conducting a pilot offering earlier this year in which the acceptance rate of PowerMove was 16.6%. The incremental time on a call during which the caller accepted PowerMove was 2.3 minutes as compared to 1.2 minutes for a call in which the caller declined. The weighted average incremental time was 1.4 minutes. The projected number of applications for new service was multiplied by the incremental time required and then divided by the number of minutes of annual CSR work time to determine the number of additional CSR hours of work that are expected to be required.

## (3) ESCO participation

The Retail Energy Supply Association (“RESA”), SCMC, and Direct Energy Services, LLC, (“DE”) objected to the Company’s proposal to require that all ESCOs participating in PowerMove agree to participate in the expanded PowerMove program.

### Response:

The Company is not requiring any ESCO participating in the current PowerMove program to agree to participate in the expanded PowerMove program. The Company is essentially proposing to replace the existing program with the expanded program, and thereby have one PowerMove program that would be available to applicants for service and to existing customers. Having two separate programs would add both needless complexity to system processes and incremental costs.

## 4) ESCO assignment to new customers

NYSEMC commented that the Company’s procedure for making ESCO assignments may limit ESCOs’ access to new customers. NYSEMC was concerned that single service ESCOs may be denied access to dual-service customers.

Response:

Customers choosing to be assigned to an ESCO are assigned on a rotating basis among participating ESCOs as follows:

- Customers requesting participation in both electric and gas retail access are assigned to a dual service ESCO. The Company believes that customers would find it too confusing to be assigned to two different ESCOs, one for each commodity service.
- Customers requesting participation in electric retail access are assigned to an ESCO supplying electric commodity. The list of ESCOs supplying electric commodity service includes dual-service ESCOs.
- Customers requesting participation in gas retail access are assigned to an ESCO supplying gas commodity. The list of ESCOs providing gas commodity service includes dual-service ESCOs.

(5) Use of “warm transfer” of customer to ESCO

NYSEMC proposed that Con Edison “warm transfer” the call of each new customer that agrees to participate in retail access through PowerMove to the call center of the ESCO next in line to accept a PowerMove customer. A “warm transfer” involves the utility call center’s handing off the customer’s call directly to the call center of the ESCO. It contended that this procedure would reduce utility administrative costs for the expanded program.

Response:

The Company did not consider the use of “warm transfers” because the PowerMove program is predicated on the utility’s enrollment of the customer in retail access. The purpose was to avoid making the customer go through a two-step process in retail access. For simplicity sake, customers would be better served by being able to complete the enrollment process with Con Edison rather than being directed elsewhere. Additionally, the warm transfer scenario may not measurably reduce the call time or the need for additional CSRs.

(6) Cost recovery for program expansion

SCMC, DE, NEM, and RESA commented on the Company’s proposal to recover both initial implementation costs and on-going operations and maintenance costs, including incremental labor, from ESCOs. They consider the costs for utility retail access programs, including the proposed PowerMove expansion, to be the responsibility of ratepayers generally.

Response:

The Company’s proposal that expansion of the PowerMove program to new service customers be funded by the ESCOs participating in the program was based on the Commission’s statements regarding cost recovery in its April 24, 2007 Order on Review of Retail Access Policies in Case 07-M-0458. The Company would consider an

alternative cost recovery approach that provides for full and contemporaneous recovery of the costs of developing and implementing an expanded PowerMove program.

### **Access to the Retail Access Information System (RAIS)**

Consumer Power Advocates (“CPA”) contended that the Company’s provision of access to RAIS for non-ESCOs is not equivalent to that provided to ESCOs. It also claimed that the Company had not yet implemented one aspect of access mentioned in the Company’s report. CPA also asked about access to interval data through RAIS.

#### **Response:**

As to status of the system changes necessary to permit non-ESCOs access to Account Information, both modifications identified in the report have been completed.

Despite CPA’s contention, through RAIS the Company is providing non-ESCOs with access to customer information that is not available elsewhere except upon request and using manual processing. The Company has accommodated CPA’s specific requests for such information in the past. With RAIS access, customers can view and print information provided in the “Account Information and Billing History Lookup” section. In this section, non-ESCOs can enter the account number of a customer to view billing history and additional information related to that account that is not ESCO specific.<sup>1</sup> The Company agrees that ESCOs have the ability to download information for all their accounts at one time in an “Account Listing File.” ESCOs’ ability to obtain this information through RAIS is provided as a courtesy, because, with the inception of EDI, this information is available through an EDI transaction. However, although the Account Information section of RAIS provides individual customer billing history, the Account Listing File does not provide energy consumption; that is strictly sent via EDI.

ESCOs’ access to interval data on RAIS is a remnant of the first year of Con Edison’s retail access program when the Company was supplying energy to ESCOs for resale to their customers. The interval data available to ESCOs was not intended for demand-side management (“DSM”) use. The Company has a separate DSM site that provides data and analytical tools for DSM purposes; this site is available to customers and their consultants. Upon request, the Company provides customers with passwords to obtain access; multiple users can utilize that password to access account information.

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<sup>1</sup> The omitted information includes the date the customer was enrolled with the ESCO in retail access, the reason for de-enrollment if the customer was de-enrolled, and the amount the customer would have to pay to have service from the ESCO restored under the 2002 Energy Consumer Protection Act, which amended the Home Energy Fair Practices Act.

Con Edison has arranged a meeting with CPA in order to clarify the organization's needs and to determine the best way to provide the requested data.

Sincerely,

A handwritten signature in black ink, appearing to be "A. K. S.", with a long horizontal line extending to the right from the end of the signature.

c: Service List (email)