STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on April 20, 2016

COMMISSIONERS PRESENT:

Audrey Zibelman, Chair
Patricia L. Acampora
Gregg C. Sayre
Diane X. Burman

CASE 13-M-0314 - Issue a Request for Proposal for an Independent Third-Party Consultant to Conduct a Review of the Accuracy and Effectiveness of Certain Reliability and Customer Service Systems at all Gas and Combination Gas and Electric Utilities in New York State that Provide Statistics to the Commission on the Services They Provide Customers.

CASE 15-M-0566 – In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations.

ORDER RELEASING REPORT AND PROVIDING GUIDANCE ON RESPONSE

(Issued and Effective April 20, 2016)

BY THE COMMISSION:

INTRODUCTION

The Commission is responsible for overseeing the quality of utility services.[1] The Commission assures service quality in several ways, including the use of performance metrics that are measured by applying utility self-reported data to Commission established benchmarks. A utility's failure to achieve certain levels of performance can result in adverse financial consequences.

[1] See Public Service Law §§65, 79, 89-b, and 91.

The Commission's effective oversight is necessarily dependent on the accuracy of self-reported data. For that reason, on August 15, 2013, pursuant to Public Service Law (PSL) §66(19), the Commission instituted a proceeding[2] for an independent third-party consultant to conduct a focused operations audit of the accuracy of the self–reported data regarding electric reliability, gas safety and customer service provided by New York State's major gas and electric utilities.[3] The Commission approved Overland Consulting (Overland or the Consultant) to conduct the audit. Overland submitted the completed audit report, entitled "Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data" (the Final Report) in April 2015.[4]

In this Order, the Commission summarizes Overland's findings and recommendations from the Final Report, describes actions taken subsequent to receipt of the Final Report (e.g., Workshops with the Utilities to discuss certain findings and/or recommendations), addresses comments regarding the Final Report received by the Utilities, remands a number of customer service

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[2] Case 13-M-0314, Consolidated Edison Company of New York, Inc. et al. – Electric, Gas and Customer Service Audit (RFP Issued August 15, 2013).

[3] Consolidated Edison Company of New York, Inc.(Con Ed); Niagara Mohawk Power Corporation, d/b/a National Grid, Brooklyn Union Gas, d/b/a National Grid NY (KEDNY) and Key Span East Gas Corporation, d/b/a/ National Grid (KEDLI), (collectively National Grid); Central Hudson Gas & Electric Corporation (CH); National Fuel Gas Distribution Corporation (NFG); Orange and Rockland Utilities, Inc. (O&R); Rochester Gas and Electric Corporation (RG&E); New York State Electric & Gas Corporation (NYSEG); Brooklyn Union Gas, d/b/a National Grid NY (KEDNY) and Key Span East Gas Corporation, d/b/a/ National Grid (KEDLI) (collectively the Utilities).

[4] The Final Report, in four volumes, will be available on DMM upon issuance of this Order.

recommendations to Case 15-M-0566[5] for further consideration, and releases the Final Report.[6] The Final Report finds that the Utilities, in general, are meeting their obligations to supply accurate self-reported data. The audit also makes specific recommendations to improve internal controls and allow for greater consistency among utilities. When implemented, the recommendations will help ensure compliance with Commission requirements, improve the clarity of reported data, enable comparisons between utilities and facilitate early detection of issues requiring attention.

As required by PSL §66(19)(b), each utility must file with the Commission an Audit Implementation Plan for the recommendations identified in Attachment D, within 30 days of the issuance of the Final Report.

BACKGROUND

By letter of the Secretary to the Commission, each of the utilities was directed to work with Staff of the Department of Public Service (Staff) and participate in the audit. Attached to the letter was the Request for Proposal (RFP) which described the scope of work and other parameters of the audit. On December 3, 2013, after reviewing the proposals received in

[5] Case 15-M-0566, In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations (commenced September 22, 2015) (Customer Service Case).

[6] Attached to this Order are the following: Utility comments submitted in response to the Final Report (Attachment A); Implementation Letter to the Utilities (Attachment B); list of all recommendations (Attachment C); list of all recommendations that should be included in the Implementation Plans(Attachment D); list of recommendations remanded for further consideration (Attachment E); and Office of Electric Gas & Water letter dated December 11, 2015 regarding reporting requirements for performance measure data (Attachment F).

response to the RFP, the Commission approved the selection of Overland to conduct the audit. The Commission established the scope of the audit in its RFP. Overland prepared a preliminary work plan after reviewing responses to initial data requests and completing the initial round of audit interviews. In response to input from Staff, the work plan was further refined to provide more specificity.

Meetings between the Consultant, the Utilities, and Staff were held beginning in March of 2014. These meetings were designed to give Overland insight into the Utilities' data collection and reporting processes, policies and procedures for self-reported data regarding electric reliability, gas safety and customer service.

During the audit field work, Overland issued approximately 2,000 document requests and conducted more than 200 interviews of personnel across the nine Utilities in the study. Staff monitored the conduct and progress of the audit by attending audit interviews and having regular status briefings with Overland. Overland submitted the Final Report to Staff in April 2015.

The Audit

The audit addresses three discrete functional areas of the utilities: electric reliability, gas safety and customer service. Specifically, the audit examines:

- The accuracy and effectiveness of electric reliability, gas safety, and customer service data.
- The Utilities' adherence to Commission reporting requirements and the cross-company consistency of the data.
- The accuracy of the systems used by the Utilities to compile data.

Within the three functional areas the audit addresses the following topics:

- Assessment of each utility's systems, policies, procedures and programs used to compile its self-reported data.
- Assessment of each utility's collection and verification of its self-reported data.
- Identification of opportunities for improvement in associated areas of self-reported data.
- Development of recommendations for process and program improvements for data collection and reporting.
- Development of recommendations for Best Practices metrics for potential addition to reporting and conversely, others that might be considered for removal.

All performance metrics articulated below are provided periodically to Staff, or, in some cases, directly to the Commission. Failure to achieve the Commission-established goals can result in financial consequences for each individual utility. Due to the nature of the audit's focus, Overland was not required to provide benefit-cost analyses for the recommendations provided. Instead, the Utilities will provide benefit-cost analyses as a component of their implementation plans. The Commission will assess that information in its review of the implementation plans.

Electric Reliability Metrics

Pursuant to 16 NYCRR Part 97, all major electric utilities in New York State are required to record and submit data to the Commission on electric service interruptions. System performance and interruption data are gathered from each company's outage management system and/or work management

system, and reported to the Commission. Additional detailed interruption data are required to be retained by the utility. The interruption data are reviewed and maintained by Staff and used in its assessment of utility performance in providing reliable service. The Commission releases a report on this information every year. Some are used in performance metrics with associated negative revenue adjustments. In addition, testimony regarding achievement of service goals must be submitted as part of a utility's rate case.

Gas Safety Metrics

Per 16 NYCRR §§255.807, 255.823, 255.825, 255.829, and 232.2 all major gas utilities in New York State are required to record and submit metrics to the Commission on gas safety. Additional detailed gas safety metrics are required to be retained by the utility. The gas safety metrics are reviewed and maintained by Staff and used in its assessment of utility performance. Testimony regarding achievement of service goals must be submitted as part of a utility's rate case. The required metrics are:

- Annual Transmission, Gathering and Distribution reports
- Reporting of accidents
- Reporting of interruptions
- Emergency response times
- Notice of Interruptions
- Gas Safety Performance Measures as required by individual rate plans – pipe replacement, leak backlog, damage prevention, and emergency response.

In addition to this required information, the following gas performance metrics are reported by Utilities:

- Leak Management – Leaks discovered and repaired by type of leak and material.

- Damage Prevention – number of One-call tickets, damages due to Company and Company Contractors, damages due to Mismarks, damages due to No-calls, and damages due to Excavator error.
- Emergency Response – Percentage of responses to leak and odor calls that fall within 30 minutes, 45 minutes, and 60 minutes.

Customer Service Metrics

All major utilities in New York State are required to record and submit to the Commission metrics on customer service.[7] These metrics are calculated from data gathered from various company systems, as well as customer satisfaction surveys. Some are used in performance metrics with associated negative revenue adjustments. Testimony regarding achievement of service goals must be submitted as part of a utility's rate case. The following metrics are required:

- Appointments
  - Appointments made
  - Appointments kept
- Adjusted Bills
  - Total bills issued
  - Total bills adjusted
- Telephone Answer Response
  - Total incoming calls received
  - Percent of calls answered
  - Total incoming calls requesting a representative

[7] Case 91-M-0500, Customer Service Standards, Order Directing Utilities to Supply Service Data (issued January 16, 1992).

- Percent of calls answered by a representative within 30 seconds

- Non-Emergency Service Response Time
  - Service/meter work orders received
  - Days to complete all service/meter jobs
  - Avg. days to complete all service/meter jobs
  - Street light work orders received
  - Days to complete all street light jobs
  - Avg. days to complete all street light jobs
  - Tree trimming work orders received
  - Days to complete all tree trimming jobs
  - Avg. days to complete all tree trimming jobs
- Estimated Readings
  - Total meters scheduled to be read
  - Total estimated readings made
- Customer Satisfaction
  - Percent of customers satisfied
  - Satisfaction Index (if applicable)

AUDIT FINDINGS AND RECOMMENDATIONS[8]

Overland found the categories of metrics reported provide adequate coverage of the important components of all three audit subject areas. Additionally, it found the Utilities are generally complying with the intent of the data reporting requirements.

The Consultant found instances where the methodology the Utilities used to measure metrics changed over time. In addition, Overland found inconsistencies among the Utilities, as

[8] See Appendix C for a list of all recommendations in the Final Report.

well as a lack of written policies and procedures addressing the collection and reporting of these metrics. This led the Consultant to conclude that in many cases the Utilities attached "insufficient emphasis" to ensuring the performance metrics are properly calculated and accurately reported. The Consultant recommended that Staff and the Utilities conduct workshops in each of the three functional areas to improve the reporting process and achieve more standardization in the definitions and calculation of operational metrics. Overland also states, "(t)o the extent the workshops produce guidelines at variance with any of our Utility–specific recommendations, Overland recognizes and agrees that the workshop guidelines should take precedence over the audit report's Utility–specific recommendations."[9]

The Final Report contains a total of 426 recommendations designed to improve the accuracy and completeness of the collection and reporting of metrics in the three audit areas. Many of these recommendations apply to more than one utility. In addition, there are several recommendations that apply to Staff, largely referencing hosting workshops, and periodically auditing these metrics.

Electric Reliability Findings and Recommendations

There are 88 findings in the electric reliability portion of the audit, leading to 34 recommendations. As previously stated, Overland found the categories of electric reliability metrics currently reported provide adequate coverage of the important components of 16 NYCRR Part 97. Additionally, it found the Utilities are generally complying with the intent of the data reporting.

[9] Final Report, Overall Executive Summary, p 1-13.

The recommendations to the Utilities fall into two general categories, internal controls and training. To improve internal controls, Overland recommends the Utilities include audits of their data collection and reporting policies and processes as part of their internal audit cycle. The Consultant found that some records were modified without sufficient explanation, and in many instances Overland had to seek out individuals to gain sufficient detail regarding those modifications. Therefore, the Consultant recommends the Utilities ensure their information systems have sufficient capabilities to record all detail regarding outages.

Overland found inconsistencies in the Utilities' review of the reliability metrics prior to submission to Staff. This was identified as an internal controls weakness and Overland recommends the Utilities have designated subject matter experts responsible for reviewing the accuracy of the reliability data prior to submission to Staff. Finally, Overland recommends the Utilities train their personnel to thoroughly document outages and changes to the incident record.

Overland recommends that Staff review the reported metrics periodically to determine if any changes at the Utilities, or industry-wide, warrant changing the electric reliability metrics or reporting methodology.

Gas Safety Findings and Recommendations

There are 360 findings in the gas safety portion of the audit, leading to 164 recommendations. Overland's main conclusions regarding gas safety metrics are:

- Utilities are not consistent in the methodology used to report gas safety statistics.
- Data currently reported by utilities generally provides adequate coverage of the most critical elements.

- On occasion, utilities did not detail adequate supporting documentation, and inadvertently included or excluded data from metric calculations.
- The current measure of contractor's damage is biased against combination utilities.
- In some instances, utilities do not strictly enforce Staff guidance regarding the calculation of data.
- Utilities have no internal written procedural guidance for the calculation of gas safety metrics.
- There are weaknesses in utilities' controls for gathering, maintaining, calculating and reporting gas safety metrics.

The gas safety recommendations to the Utilities can be divided into five main categories: internal controls, damage prevention, emergency response, leak management, and infrastructure replacement. There are also additional recommendations regarding other filed information, benchmarking and other metrics.

To improve internal controls, the Consultant recommends all the Utilities develop and keep current a manual documenting their process and procedures regarding the collection, calculation, and reporting of gas safety data. Overland also recommends the Utilities audit the gas safety reporting metrics as part of their regular internal audit cycle, and to have a separate individual responsible for the review of the accuracy of the data prior to its submission to Staff. The Final Report also includes recommendations for automating data collection and reporting processes, as well as to make improvements to emergency response information systems.

To improve comparability among Utilities regarding root causes of damage, Overland recommends the Utilities enhance their damage prevention statistics. For example, Overland

recommends all Utilities follow Staff guidelines regarding the inclusion of damages to pipe coating in reporting, and for Utilities to provide detailed description of one-call ticket count inclusions and exclusions. Focused recommendations involve maintaining support for reported metrics, providing clear indications for not pursuing reimbursement for third party damages and establishing root causes for mismarks and excavations that are mapped back to PSC classification.

Overland recommends the Utilities file time duration graphs in conjunction with their emergency response metrics. The Consultant also recommends that the Utilities follow Staff guidelines regarding the exclusion of calls from qualified personnel during business hours, the inclusion of odor calls that were not natural gas and the inclusion of carbon monoxide calls that were not carbon monoxide. Overland also recommends the Utilities comply with Staff's position regarding recording response time to the nearest second, and the proper grouping of response time durations. More focused emergency response recommendations include:

- Capturing the details regarding the modification of response time records.
- Developing written procedures to ensure the exclusion of incidents occurring in outside jurisdictions.
- Procedures to identify and exclude zero and negative response time incidents.
- Proper calculation and display of time durations and the maintenance of basic support data in electronic format.

The primary recommendation for leak management is for the Utilities to each maintain a detailed listing of the workable leak backlog as of year-end, by leak, in electronic

format. This list should support the numbers reported to Staff. Overland's more focused recommendations include:

- Defining what constitutes a leak.
- Revising leak identification methodology.
- Maintaining supporting documentation for leak classification.
- The capture and reporting of all leaks in the leak backlog.
- Running the year-end backlog report as close to the end of the year as possible.
- Processing leak data on a more timely basis.

To improve infrastructure reporting, Overland recommends the Utilities develop a detailed electronic list of leak prone mains replaced during the year that supports the quantities reported to Staff. The Consultant also provided more focused recommendations including:

- Documenting leak prone main when it is not generally considered a leak prone material.
- Verifying infrastructure replacement footage reported.
- Excluding infrastructure replacement that occurs in outside jurisdictions.
- Verifying and correcting the composition of mains and services in internal systems.
- Maintaining completion reports for all infrastructure replacement projects.
- Developing audit trails for leak prone service replacement programs.
- Developing leak prone accounts to ensure accurate calculation of leak prone pipe expenditures.

The Consultant provided some focused recommendations involving other filed information, including comparing the data reported by the United States Department of Transportation[10] with what is reported to the Commission and investigating the differences prior to submission. Overland also recommends developing written procedures regarding the reporting requirements of 16 NYCRR §255.825 and 16 NYCRR §232.2. Recommendations involving accident reporting include amending Utilities' accident notification procedures, providing more complete timelines, and maintaining telephone logs involving PSC notification of accidents.

In benchmarking, Overland recommends that Con Ed document any relevant information discussed in future benchmarking sessions, O&R develop a robust set of performance metrics exclusive of those reported to Staff, and NYSEG and RG&E should seek out opportunities to participate in benchmarking studies.

Overland recommends that Staff review the reported metrics periodically to determine if any changes at the Utilities, or industry-wide, warrant changing the gas safety metrics or reporting methodology. The Consultant also recommends that Staff develop a formal process to address questions and answers regarding the calculation of gas safety metrics.

Customer Service Findings and Recommendations

There are 576 findings in the customer service portion of the audit leading to 228 recommendations. Overland found the categories of customer service metrics currently reported

[10] U.S. Department of Transportation Pipeline and Hazardous Materials Annual Gas Distribution Report, 2013.

provide adequate coverage of the important components of customer service quality. Overland's other major conclusions are:

- In several categories, a lack of standardization make benchmarking and inter-utility comparisons impossible.
- Utilities do not have adequate internal written procedural guidance for the calculation of many metrics.
- There are weaknesses in the Utilities' internal control of the processes of gathering, maintaining, calculating and reporting customer service metrics.

The customer service recommendations are in two main categories. Fifty-four recommendations concern the need for improved internal processes and controls designed to ensure that customer service data is tracked and reported accurately. For example, Overland recommends the Utilities include an audit of the customer service metrics in their internal audit cycle, and that the Utilities develop written procedural manuals for the collection, calculation and reporting of the metrics. Overland also recommends that the Utilities have an individual, other than the metric preparer, be responsible for reviewing the accuracy and completeness of the data prior to submission to Staff. Additional internal controls recommendations include maintaining the supporting data for the customer service metrics for a period of ten years and developing standards for consistently documenting record modification.

The remaining 174 recommendations concern specific details of how the customer service metrics should be calculated and what they should measure. As discussed below, these recommendations are remanded to the Customer Service Case for further evaluation and are not detailed here. Overland also recommends that Staff review the reported metrics periodically

to determine if any changes at the Utilities, or industry-wide, warrant changing the metrics or reporting methodology.

UTILITY COMMENTS

On January 4, 2016, the Final Report was provided to the Utilities for comment. A summary of the Utilities' comments is provided below.[11] NYSEG and RG&E did not submit comments.

Con Ed

Con Ed notes metrics associated with individual performance mechanisms are included in individual utility rate plans and were developed as a result of settlement negotiations. Con Ed believes modifications to these metrics, as Overland recommends, are impermissible. In its opinion, such adjustments would amount to improper single-issue ratemaking. However, Con Ed has no objection to tracking additional performance information and to have this information available when performance information is reconsidered in future rate cases. Further, Con Ed vigorously disagrees with several of Overland's recommendations to restate historic performance results in gas safety. Prior to January 1, 2016, gas performance measure data submittals were voluntary. Con Ed believes any recommendations adopted by the Commission should be forward looking only.

O&R

O&R mirrors Con Ed's comments. Additionally, O&R cautions against any attempt to impose a uniform definition for what constitutes "leak prone" materials in New York State. The current gas infrastructure among the Utilities varies significantly and this variation directly affects the leak experience of the materials. O&R argues any definition of what

[11] The entire comments are contained in Attachment A.

constitutes “leak prone” materials must account for this variation.

O&R believes that unreported damages should not be included in the current year’s gas safety statistics, nor should they be retrospectively restated. O&R indicates that it will investigate unreported damages to determine their history and cause(s), to the extent possible.

O&R notes that including carbon monoxide calls, that turn out not to be gas related, in its reported emergency response performance metrics, is inconsistent with the emergency response performance mechanism contained in the Company’s current gas rate plan.

O&R states that it does not understand the benefit of providing the approximate number of consumers affected by the interruption of service for each incident listed in its weekly reports filed with the Commission as required by 16 NYCRR §232.2 and believe that the Commission should decline to adopt this recommendation. Further, in light of O&R’s current gas safety performance metrics, O&R finds the recommendation to develop a robust set of gas safety performance metrics exclusive of those reported, to be unnecessary. O&R believes that its customers would be better served if O&R devotes its efforts and resources to addressing its current gas safety performance metrics. O&R states the Commission should decline to adopt this recommendation.

Central Hudson

Central Hudson does not see the benefit of requiring gas emergency response time to be graphed. Central Hudson also notes several factual corrections that should be made to the Final Report.[12] Central Hudson’s remaining comments relate to

[12] These corrections were not provided in conjunction with the factual accuracy review, and are not addressed.

process and reporting improvements made pursuant to an OEGW letter dated December 11, 2015, as those change relate to recommendations in this audit.

NFGDC

NFGDC suggests that establishing uniform data reporting requirements and guidelines must be subject to notice and comment.[13] NFGDC agrees with the Consultant that there are no dollar savings to be achieved from the audit. NFGDC, however, takes exception to the Consultant's apparent assumption that there are no significant dollar costs that will be incurred. NFGDC indicates that it will continue to refine costs and timelines of proposed recommendations or viable alternatives, and where possible, offer more efficient, alternate ways of achieving implementation than the Consultant originally envisioned.

NFGDC expresses concern that a number of factual inaccuracies and mischaracterizations in the Draft Report, which were identified in writing, on February 27, 2015 were not addressed by the Consultant nor was any explanation provided.[14]

NFGDC believes that its performance never fell below the acceptable threshold for any Gas Safety or Customer Service performance metric. NFGDC believes it has fully complied with all laws, regulations and Commission Orders regarding data

[13] While ordering changes to data reporting requirements would require a notice and comment period before Commission action, the Utilities are required by PSL §66(19) to file plans to implement the audit's recommendations. See also Energy Ass'n v PSC, 169 Misc 2d 924 (Sup Ct, Albany County 1996). Requiring the filing of plans does not, in and of itself, necessitate a SAPA notice.

[14] Overland provided Staff with a comprehensive written response to each of NFGDC's comments explaining what changes were made in response to each comment.

reporting and objects to any characterization in the Final Report to the contrary.

NFGDC points out that implementation of a number of the recommendations in the Overland audit carry with them a substantial timeline, commitment of internal and external resources, out of pocket costs and/or significant training. Addressing these recommendations will be affected by NFGDC's long-term technology plan and schedule. NFGDC intends to consider the merit of recommendations in a manner and timeline that the organization can reasonably implement without: (1) sustaining potentially serious, deleterious consequences, and (2) substituting a number of manual processes which could potentially be administratively burdensome.

National Grid Companies

National Grid's comments are limited to the Gas Safety and Consumer Service sections of the audit. It argues that the proper forum to make many of the changes identified in the Final Report is a rate case.

National Grid wants the Gas Safety and Consumer Service workshops to discuss the process for modifying the calculation of metrics that were set in current rate plans. Specifically, any change in how the metrics have been historically measured and reported will require corresponding changes to the performance target to account for the new baseline of data.

National Grid indicates that they intend to follow the reporting guidance issued by Staff in a letter dated December 11, 2015, in all instances where audit recommendations deviate from the guidance provided in the letter. National Grid disagrees with the recommendations throughout the Gas Safety sections of the report to retrospectively restate data. This

recommendation is not found in the other sections of the report and they do not believe that it has any value.

National Grid disagrees with the recommendation that they should establish a new root cause for incidents involving the marking and excavation by company crews that results in damage to underground pipe. National Grid indicates that they believe that this recommendation is based on an incident that was recorded by the Consultant incorrectly.

National Grid believes that gas leak and odor calls resulting from mass odor complaints should be excluded, as well as significant weather related occurrences and major equipment failures. National Grid believes, based on the fact that the majority of Utilities have not reported these calls, carbon monoxide calls that turn out to be something else should not be reported.

National Grid argues that any changes to the manner of capturing response times will require modifications and/or upgrades to the company's current systems. National Grid is currently investigating such upgrades.

National Grid takes issue with Overland's language in the recommendation to group and report emergency response times in compliance with PSC intent to the extent it implies that the Company's historic practice was somehow incorrect.[15]

National Grid believes that due to differences in infrastructure it will be difficult to standardize the leak backlog data as well as the grouping of leaks across Utilities. In addition, there will be system costs associated with any

[15] Overland reports that all studied utilities historically truncated emergency response times, and argues that, when the targets were set, it is fair to assume that the calculation reflected the truncated emergency response times.

potential modifications and any change will negatively impact the trending analysis done by the Utilities.

DISCUSSION

The Utilities do not challenge the vast majority of the recommendations in the Final Report. The recommendations that are under dispute are discussed below. With the few exceptions identified herein, the Commission finds that the recommendations in the Final Report are reasonable and Utilities are required to file implementation plans accordingly.

Many of the recommendations address how an individual utility should measure data regarding electric reliability, gas safety and customer service, and how consistent and logical metrics should be calculated. Overland acknowledges, however, that development of effective metrics may be enhanced by Staff-led workshops, and that the results of these workshops should take precedence over the utility-specific recommendations in the Final Report. As recommended by Overland, Staff subject matter experts from the Office of Electric, Gas, and Water (OEGW) and the Office Consumer Services (OCS) conducted such workshops with utilities in 2015. Those workshops provided valuable information and feedback which further informed participants as to how the recommendations might be implemented in an effective manner.

Interdisciplinary Issues

Utility comments address several issues that involve, at least potentially, each of the three subject areas. Utilities including Con Ed, O&R and National Grid note that performance metrics are included in individual utility rate plans and should not be modified outside of a ratemaking proceeding. The recommendations identified in the Final Report

do not affect current rate case performance targets or mechanisms. They must be evaluated for potential implementation in future rate plans, consistent with PSL §66(19).

Several utilities including NFGDC and National Grid note that there may be significant implementation costs associated with some recommendations, including commitment of resources and significant training. They note that implementation costs were not identified in the Final Report and that the resources required to implement some recommendations may be committed to other projects. Utility Implementation Plans shall include estimated implementation costs for recommendations for which such costs are material. In preparing their Implementation Plans, Utilities should identify timelines and resource requirements that can reasonably be implemented. The estimated costs, benefits and timelines will be assessed in our review of the Implementation Plans.

Electric Reliability

The 34 recommendations regarding electric reliability engendered little concern or opposition from utilities in their written comments. The sole comment concerns Overland's finding of several instances in which the written data records for electric reliability within a data system include a comment field which is not self-explanatory. To address this finding, Overland recommends that utility training programs emphasize providing a complete explanation of any record modifications that are self-explanatory to experienced readers. Central Hudson supports that recommendation in concept, but recommends that a threshold for minimum outage size be established since such written information may have little or no value for small outages. Overland's recommendation that all modifications of records in data systems be accompanied by a plain language

explanation is reasonable to ensure data integrity and a verifiable audit trail. As explained above, utilities should identify in their Implementation Plan, implementation costs associated with specific recommendations. Those costs, and the merit of directing utilities to implement the associated recommendations, will be considered in our review of the Implementation Plans.

It is noted that several recommendations appear inconsistent with current Commission policy. Specifically, Overland recommends that utilities consider recommending that the PSC eliminate utility requirements to report electric reliability for individual districts. Similarly, Overland recommends that utilities consider recommending that the PSC use System Average Interruption Duration Index (SAIDI) as a more meaningful outage duration metric. Overland also recommends that utilities evaluate whether an alternative method of managing major event and storm exclusions should be used, and if appropriate, recommend that they seek Commission approval for that method. In addition, Overland recommends that utility metrics be revised to provide expanded heat and weather anomaly exclusions. These issues have been considered previously by the Commission, and it appears that these recommendations are inconsistent with our previous determinations. Utilities always have the option to seek changes to Commission requirements, and in view of Overland's recommendations, the Commission will consider information in utility Implementation Plans regarding the merits of these recommendations. The Commission notes, however, that utilities have the burden of showing that existing policy on these issues requires modification.

Two recommendations regarding electric reliability metrics are applicable to Staff or the Commission. The recommendation for Staff to host a workshop with the Utilities

to determine how electric reliability metrics should be calculated has been completed. Overland also recommends that the PSC review electric reliability metrics at least once every ten years, to determine if any changes are warranted. These issues are now addressed in rate cases, and the Commission directs that they continue to be explored in rate cases to help ensure electric system reliability.

In summary, with the clarifications noted above, each of Overland's 32 recommendations regarding electric reliability that are applicable to the utilities are reasonable and should be provided to the utilities for development of Implementation Plans.

Gas Safety

Overland's Final Report includes a total of 164 recommendations regarding gas safety. The vast majority are applicable to the utilities, and several are addressed entirely or primarily to Staff. Based on Overland's Final Report, the results of the workshops and utility comments, all recommendations, as clarified by Staff's December 2015 Guidance Letter[16] are reasonable and actionable at this time.

If properly implemented, recommendations regarding improved utility internal controls will help ensure compliance with Commission requirements, as well as the accuracy of data reported to Staff. Similarly, the recommendations related to processes of gathering, calculating, and reporting data on damages, emergency response, leak management, and infrastructure replacement will improve report accuracy, thereby facilitating early detection of issues requiring attention. Implementation of these recommendations will also substantially improve

[16] See Attachment F.

comparisons between utilities. The recommended new categories of gas safety performance indicators will provide additional relevant information to the Utilities and Staff.

In performing its audit of gas safety performance measures reporting, Overland utilized guidance created by Staff in 2003 regarding the calculation of the gas safety performance measures (2003 Guidance Document).[17] The 2003 Guidance Document was jointly developed by Staff and the Utilities. A number of Overland's recommendations concern the Utilities' adherence to Staff's guidance. However, since the 2003 Guidance Document was over ten years old and had not been revisited, Overland recommended in its Final Report that Staff hold a collaborative meeting to update and revise the gas safety performance measures reporting guidance, as well as to explore other issues regarding how gas safety metrics should be measured and calculated.

Staff held the recommended collaborative meeting on May 12, 2015. Following that meeting, and based on written comments from individual utilities received in 2015, Staff sent a letter to the Utilities with updated guidance on the performance measures reporting (Revised Guidance).[18] That document specifically addressed recommendations made by Overland and provides greater clarity regarding the calculation and reporting of the gas safety performance measures. In addition, the letter changed how the gas safety performance measures would be reported by the participating utilities.

Overland found that there are substantial differences among the utilities as to what constitutes "leak prone" materials, and recommends that utilities establish a definition

[17] See http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=13-M-0314&submit=Search+by+Case+Number.

[18] That letter is included as Attachment F.

for “leak prone” materials. Comments by utilities imply that Overland seeks a statewide definition of “leak-prone” pipe. For example, O&R opposes that recommendation, explaining that any definition must account for variations in the gas infrastructure among utilities. However, Overland, finding that utilities did not define what was considered a “leak-prone” material on their system or were inconsistent in their internal definition of “leak-prone” pipe, only recommends that each utility specifically state what a “leak-prone” material is on their system. The Commission agrees with the auditor that each utility should define what it considers “leak-prone” on its system. Since the main replacement goals mandated by rate case agreements target “leak prone” pipe, each utility should define what it considers a “leak prone” material and replace it according to established priorities. With this clarification, Overland’s recommendation is reasonable and actionable.

In the area of leak management, Overland recommends that the Utilities and the Commission conduct a workshop to determine the cause of the wide variation in total leak backlogs reported by various New York utilities to the Commission. National Grid disagrees with the recommendation, stating that due to different infrastructure, it would be difficult to standardize leak backlogs across the state. Staff discussed the variation in backlogs in its May 12, 2015 collaborative meeting. Staff acknowledges that a large part of the variation in leak backlogs is due to infrastructure. However, Staff refined its instructions on the duplication and counting of leaks in the Revised Guidance, while still accommodating the various leak management systems used by utilities.

The Final Report recommends that emergency response performance metrics include carbon monoxide calls that are found to be caused by something other than carbon monoxide. The 2003

Guidance Document states that all calls due to gas odors are included in the emergency response reports. Staff's Revised Guidance states carbon monoxide calls that are ultimately found to be caused by carbon monoxide are excluded from the reporting. However, carbon monoxide calls that are not due to carbon monoxide, but caused by either natural gas or another factor, are to be included in the reporting. Overland recommends that the Utilities follow the 2003 Guidance Document and include those carbon monoxide calls caused by another factor. O&R and National Grid oppose that recommendation, noting that the majority of utilities do not currently report those calls. The confusion surrounding the reporting of carbon monoxide calls is likely because it is not clear in the 2003 Guidance Document that carbon monoxide calls caused by other than carbon monoxide needed to be included in the reporting. Staff's Revised Guidance clarifies that the Utilities should include all carbon monoxide calls in their emergency response reporting.

The Final Report recommends that the approximate number of customers affected by interruption of service for each incident be listed in weekly reports filed with the Commission as required by 16 NYCRR 232.2. While there were comments questioning the benefits of the recommendation, the current regulations require it and utilities must comply with those regulations. Utilities may provide information in their Implementation Plans supporting their view that this recommendation be rejected, but have the burden of demonstrating why existing Commission policy requires modification.

Overland recommends that utility reports regarding emergency response be supplemented with a graphical depiction of the emergency response time duration distribution, and accompanied by an explanation of any unusual patterns. Central Hudson questions the benefit of this recommendation. As part of

the audit, Overland found that some utilities had an unusual distribution of emergency response times. The time duration graphs for some utilities show a steep drop off in calls beyond the 30-minute cutoff, unlike the smooth bell curve one would expect for this data. Submitting time duration graphs facilitates operators' ability to assess the validity of their data and ensure that it contains no systematic biases, and can be considered a "best practice" by utilities. Overland's recommendation is reasonable.

National Grid also recommends that gas leak and odor calls resulting from mass odor complaints, as well as significant weather-related occurrences and major equipment failures, should be excluded from its emergency response reporting. National Grid's argument originates from language in certain utilities' current rate plans, which allows those companies to exclude those events for rate case metrics. For the purposes of the performance measures reporting, which seeks to accurately gauge and compare the data of utilities across the state, emergency response times during these events should be included in the reporting since mass odor events and weather emergencies are part of utilities' real-time performance.

Since the emergency response data system used by utilities throughout the state is unable to record to the nearest second, emergency response times are truncated to the minute and, therefore, slightly overstate the resulting emergency response measure. The Final Report recommends that utilities not truncate their emergency response data. Some utilities submitted comments disagreeing with the recommendation, explaining that changing their systems to record to the second would be expensive and time-consuming. Others stated that they were investigating changes to their emergency response systems. The Commission agrees that emergency response

times should not be truncated, as this leads to the overstating of emergency response performance. If utilities are unable to change their systems to avoid truncation of response times, then they must take the most conservative approach in calculating their data, and round up their emergency response arrival times. With this clarification, the recommendation is reasonable. Utilities are invited to provide further information regarding the costs and benefits of these solutions in their Implementation Plans.

The Final Report recommends that the Utilities and Staff determine how to account for unreported damages in the current year. O&R submitted comments stating that such damages should not be counted. The Commission disagrees, as the damage prevention measure is meant to provide an accurate measure of the threat of third party-damage to an operator's pipeline. Excluding known damages to natural gas facilities would understate this measure. In the Revised Guidance, Staff states unreported damages should be recorded in the year that they are discovered. It would not be practicable to record the damage to the year it occurred because it may not always be possible for the utility to determine when the damage actually occurred and, even if the year of the damage was discovered, it would be time-consuming for utilities to restate their past damage prevention measure each time an unreported damage was discovered. Utilities should address this recommendation, as clarified, in their Implementation Plans.

The Final Report recommends that a robust set of gas safety performance metrics, exclusive of those reported, be developed by some utilities. The auditor found that some utilities had internal performance measures beyond those reported to the Commission, such as leak rates per distances of main, number of late locates, mapping backlogs, etc. However,

others relied only on those performance measures reported to the Commission. Overland recommends that the latter group of utilities develop metrics beyond those reported to the Commission. O&R asserts that this recommendation is unnecessary, in view of the utility's existing gas performance metrics, and that the utility should focus on the measures that currently exist. The Commission agrees with the auditor that utilities should seek out internal performance metrics because doing so could provide new quality control measures for the companies and new means for utilities to improve performance. This recommendation should be addressed in Utility Implementation Plans.

Overland makes several recommendations instructing the Utilities to restate past reported gas safety performance measures. Several utilities, including Con Edison, O&R and National Grid, strongly disagree with these recommendations, and urge that recommendations be forward looking only. The Commission agrees with the utilities on this matter. Since re-stating past performance measure would take a significant effort, provide little value, and, in some cases, be impractical because of data limitations, the Commission determines that the recommendations regarding reporting of performance measures should be on a going-forward basis. In addition, the revised performance measures guidance from the Revised Guidance letter is also intended for performance measures recording and reporting going forward, from January 1, 2016. Overland's recommendations include the option that if data cannot be restated, then the next Gas Safety Performance Measures should note that the data has been calculated on a different basis. Staff is directed to note this in the next Gas Safety Performance Measures Report using the Revised Guidance. Utility

Implementation Plans should address the recommendation, as clarified in the Revised Guidance letter.

Overland makes several gas safety recommendations applicable to Staff. The recommendation for Staff to host a workshop with utilities to determine how gas safety metrics should be calculated has been completed. In response to the recommendation that Staff establish a formal protocol to address questions that may arise in the future regarding the calculation of gas safety data, Staff established such a formal protocol to address such questions in its Revised Guidance document. Utilities can submit questions regarding performance measures calculation and reporting to safety@dps.ny.gov. Staff's Revised Guidance also addresses Overland's recommendation that damage prevention statistics should be enhanced to provide the Commission greater clarity regarding the root causes of the damages.

Overland recommends that Staff periodically review the gas safety performance measures the utilities submit to the Commission. The Commission agrees with this recommendation and will instruct Staff to review for update the performance measures guidance in response to concerns or changes in the industry. Overland recommends that each utility be required to file a letter that provides its performance against the targets set in its current rate plan. Recent rate plans have required such filings and this practice will continue. Those utilities whose rate plans currently do not require a filing will be required to submit a filing as part of the implementation of the audit recommendations.

In summary, all of recommendations in the Final Report regarding gas safety, as clarified by Staff's Revised Guidance, should be pursued and incorporated into Utility Implementation Plans.

Customer Service

Overland identified 228 recommendations regarding the customer service metrics, more than three-quarters of which concern specific details of how the customer service metrics should be calculated and what they should measure. As recommended, Staff conducted a workshop with the utilities and established working groups to consider how these recommendations could be implemented effectively. However, additional evaluation and consideration is required, particularly in consideration of existing directives regarding calculation and reporting of certain customer service metrics.[19] To help ensure prompt consideration of these issues, the Customer Service Case has been established. We direct issuance within 30 days of this Order, of a Notice inviting comment on those issues.

The remaining approximately 50 customer service recommendations concern the need for improved internal processes and controls designed to ensure that customer service data is tracked and reported accurately. No utility filed comments regarding these recommendations and they are supported by Staff. These recommendations are ready for inclusion in the Implementation Plans at this time.

CONCLUSION

The primary goal of the audit was a review of: 1) the accuracy and effectiveness of electric reliability, gas safety, and customer service data; 2) utilities' adherence to Commission reporting requirements and the cross-company consistency of the

[19] Case 91-M-0500, Electric, Natural Gas, Water and Steam Corporations - Customer Service Standards, Order Directing Utilities to Supply Service Data (issued January 16, 1992).

data; and 3) the accuracy of the systems used by the Utilities to compile data.

Consistent with PSL §66(19), each utility must file an Audit Implementation Plan (the Plan) regarding the recommendations listed in Attachment D within 30 days. The Plans should include action steps as well as an overall characterization of the relative priorities for each of the recommendations. Schedules with specific interim milestones, risk/cost/benefit analyses, and the designation of executive officer accountability should be included if warranted.

Following the submission of the Plans, Staff will review the Plans to ensure they meet the Commission's expectations and satisfy the letter and intent of the Consultant's recommendations. The Plans will be issued for notice and comment and the record will presented to the Commission for consideration. The Plans will become enforceable upon approval by the Commission.

The Commission orders:

1. The "Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data" prepared by Overland Consulting shall be made public.

2. Consolidated Edison Company of New York, Inc.; Niagara Mohawk Power Corporation, d/b/a National Grid; Central Hudson Gas & Electric Corporation; National Fuel Gas Distribution Corporation; Orange and Rockland Utilities, Inc.; Rochester Gas and Electric Corporation; New York State Electric & Gas Corporation; Brooklyn Union Gas, d/b/a National Grid NY and Key Span East Gas Corporation, d/b/a/ National Grid shall, as required by Public Service Law §66(19)(b), file, within 30 days of the Final Report's release and consistent with the

discussion in the body of this Order, a plan to implement the recommendations in the Final Report.

3. The Customer Service Recommendations listed in Attachment E shall be remanded to Case 15-M-0566 for further consideration.

4. The Secretary to the Commission shall issue, within 30 days of the issuance of this Order, a notice seeking comment on the customer service recommendations to be considered in Case 15-M-0566.

5. In the Secretary's sole discretion, the deadlines set forth in this order may, where allowed by statute, be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one day prior to the affected deadline.

6. This proceeding is continued.

By the Commission,

(SIGNED) KATHLEEN H. BURGESS
Secretary

David P. Warner
Associate Counsel
Consolidated Edison Company of New York, Inc.
4 Irving Place, Room 1815-S, New York, NY 10003
(212) 460-4286 FAX: (212) 677-5850
Email: warnerd@coned.com

February 1, 2016

Via E-Mail
Ronald Vero
Project Manager
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Re: CONFIDENTIAL Final Audit Report issued by Overland Consulting (Case 13-M-0314)

Dear Mr. Vero:

As requested in your letter sent January 4, 2016 ("January 4 Letter"), Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") sets forth below its comments regarding the recommendations contained in the Final Audit Report issued by Overland Consulting ("Overland") entitled "Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data" (the "Final Report"). Before addressing the specific recommendations contained in the Final Report, however, Con Edison would first offer several general comments regarding Overland's recommendations.

In various recommendations, Overland states that the metrics associated with individual performance mechanisms should be revised and/or expanded. Con Edison would note that these performance metrics are included in individual utility rate plans and were the result of settlement negotiations. Modifications to these metrics, particularly if any such modifications may affect the likelihood that a utility incurs negative revenue adjustments, plainly would be impermissible. At a minimum, such adjustments would amount to improper single issue ratemaking. Con Edison has no objection to tracking additional performance related information as suggested by Overland. This information would be available when performance mechanisms are reconsidered in the Company's next base rate case.

In several of its recommendations, Overland suggests that a utility's results relating to a performance mechanism should be restated. Con Edison vigorously disagrees with any effort to restate historic performance results. Prior to January 1, 2016, previous performance measure data submittals were voluntary, as acknowledged by Deputy Director Cynthia McCarran's letter to the utilities dated December 11, 2015 ("McCarran Letter"). Any recommendations adopted by the Commission should be forward looking only. Restating historic results, particularly in light of the delay in issuing the Final Report, would serve no useful purpose. Indeed, it would constitute an

ill-advised waste of utility resources that should be focused on improving future performance.

Electric Reliability

Please be advised that Con Edison has no additional objections or comments regarding either the 15 audit recommendations applicable to all utilities or the three recommendations specific to Con Edison.

Gas Safety

Please be advised that Con Edison has no additional objections or comments regarding either the 10 audit recommendations applicable to all utilities or the 16 recommendations specific to Con Edison.

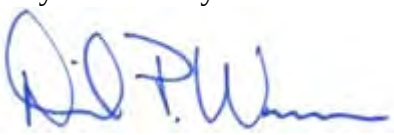
Customer Service

As stated in your January 4 Letter, utilities are not to comment on the recommendations set forth in Attachment 2 until a later date. Utilities are limited to commenting on those recommendations applicable to either the Commission and NYSDPS Staff or to all of the utilities, which six recommendations are set forth on pages 1-10 and 1-11 of the Customer Service portion of the Final Report, and the four recommendations relating to Con Edison's internal controls (set forth on pages 3-3 of the Customer Service-Consolidated Edison portion of the Final Report). Please be advised that Con Edison has no additional objections or comments regarding any of these recommendations.

Please contact me if you have any questions regarding any of the matters discussed above.

Sincerely,

Consolidated Edison Company of New York, Inc.
By Its Attorney



David Warner
Associate Counsel

John L. Carley
Assistant General Counsel
Law Department
Consolidated Edison Company of New York, Inc.
4 Irving Place, Room 1815-S, New York NY 10003
Tel.: 212-460-2097 Fax: 212-677-5850
Email: carleyj@coned.com

February 1, 2016

VIA EMAIL
Ronald Vero
Project Manager
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Re: CONFIDENTIAL Final Audit Report issued by Overland Consulting (Case 13-M-0314)

Dear Mr. Vero:

As requested in your letter dated January 4, 2016 ("January 4th Letter"), Orange and Rockland Utilities, Inc. ("Orange and Rockland" or the "Company") sets forth below its comments regarding the recommendations contained in the Final Audit Report issued by Overland Consulting ("Overland") entitled "Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data" (the "Final Report"). Please note that, in the interest of brevity, if Orange and Rockland does not address an individual recommendation below, it is because Orange and Rockland has no objection to or comments regarding said recommendation. To the extent that Orange and Rockland has comments regarding specific recommendations, it will address them in the order that they appear in the Final Report. Before addressing the specific recommendations contained in the Final Report, however, Orange and Rockland would first offer several general comments regarding Overland's recommendations.

In various recommendations, Overland states that the metrics associated with individual performance mechanisms should be revised and/or expanded. Orange and Rockland would note that these performance metrics are included in individual utility rate plans and were the result of settlement negotiations. Modifications to these metrics, particularly if any such modifications may affect the likelihood that a utility incurs negative revenue adjustments, plainly would be impermissible. At a minimum, such adjustments would amount to improper single issue ratemaking. Orange and Rockland has no objection to tracking additional performance related information as suggested by Overland. This information would be available when performance mechanisms are reconsidered in the Company's next base rate case.

In several of its recommendations, Overland suggests that a utility's results relating to a performance mechanism should be restated. Orange and Rockland vigorously disagrees with any effort to restate historic performance results. Prior to

January 1, 2016, previous performance measure data submittals were voluntary, as acknowledged by Deputy Director Cynthia McCarran's letter to the utilities dated December 11, 2015. Any recommendations adopted by the Commission should be forward looking only. Restating historic results, particularly in light of the delay in issuing the Final Report, would serve no useful purpose. Indeed, it would constitute an ill-advised waste of utility resources that should be focused on improving future performance.

Electric Reliability

Please be advised that Orange and Rockland has no objections to or specific comments regarding either the 15 audit recommendations applicable to all utilities or to the three recommendations specific to Orange and Rockland.

Gas Safety

Executive Summary – Audit Recommendations Applicable to the Commission, NYPSC Staff, and All Utilities – Recommendation No. 6

This recommendation states that in conjunction with Staff, each utility should develop a definition for what constitutes "leak prone" materials for purposes of its infrastructure replacement program. The Company has no objection to conferring with Staff regarding the criteria that should be used to determine whether materials are deemed "leak prone" for purposes of the Company's infrastructure replacement program. As noted above, any modification of the criteria contained in the Company's current gas rate plan should only be considered in the Company's next gas base rate case. Orange and Rockland also would caution Staff against any attempt to impose a uniform definition for what constitutes "leak prone" materials on all utilities in New York State. The current gas infrastructure among the state's utilities varies significantly (e.g., pipe manufacturers, soil conditions, cathodic protection methods, time of installation). This variation directly affects the leak experience of the materials on a utility's gas system. Any definition for what constitutes "leak prone" materials must account for this variation.

Comparison Chapter – Damage Prevention - Recommendation No. 2

This recommendation states that on a prospective basis, the utilities and the Commission should agree on a standard approach to account for unreported damages discovered in the current year. Although the Company has no objection to conferring with Staff on this matter or reporting these instances separately for informational purposes, Orange and Rockland is of the firm belief that such unreported damages should not be included in the current year's statistics, nor should they be retrospectively restated. Unreported damages occur infrequently, but when they do, it is usually difficult to pinpoint the date that the damages occurred. If previously unreported damages are uncovered, the Company will investigate to determine the history and cause(s) of such damages, to the extent possible.

Comparison Chapter – Emergency Response - Recommendation No. 3

This recommendation states that on a prospective basis, the utilities should include emergency calls in their reported emergency response performance metrics involving an initial report of carbon monoxide and subsequently determined to be something else. The Company would note that including carbon monoxide calls, that turn out not to be gas related, in its reported emergency response performance metrics, is inconsistent with the emergency response performance mechanism contained in the Company's current gas rate plan. Accordingly, as noted above, this modification should not be considered until the time of the Company's next gas base rate case.

Orange and Rockland – Other Filed Information - Recommendation No. 5

This recommendation states that Orange and Rockland should report the approximate number of consumers affected by the interruption of service for each incident listed in its weekly reports filed with the NYSPSC as required by 16 NYCRR 232.2. Orange and Rockland fails to understand the benefit of providing this additional information. The Commission should decline to adopt this recommendation.

Orange and Rockland – Benchmarking and Other Gas Safety Performance Metrics - Recommendation No. 1

This recommendation states that Orange and Rockland should develop a robust set of gas safety performance metrics exclusive of those reported to the NYSPSC. In light of the Company's current gas safety performance metrics, Orange and Rockland finds this recommendation unnecessary. Orange and Rockland's customers would be better served if the Company devotes its efforts and resources to addressing its current gas safety performance metrics. The Commission should decline to adopt this recommendation.

Customer Service

As stated in your January 4th Letter, utilities are not to comment on the recommendations set forth in Attachment 2 until a later date. Orange and Rockland is limited to commenting on the six recommendations applicable to either the Commission and NYSDPS Staff or to all of the utilities (set forth on pages 1-10 and 1-11 of the Customer Service portion of the Final Report) and the four recommendations relating Orange and Rockland's internal controls (set forth on pages 4-2 and 4-3 of the Customer Service portion of the Final Report). Please be advised that Orange and Rockland has no objections to or specific comments regarding any of these recommendations.

Please contact me if you have any questions regarding any of the matters discussed above.

Respectfully submitted,

Orange and Rockland Utilities, Inc.
By Its Attorney

/s/ *John L. Carley*
John L. Carley
Assistant General Counsel

Paul E. Haering
Vice President
Engineering & Systems Operations

People. Power. Possibilities.
Central Hudson
Gas & Electric Corporation

January 29, 2016

Ron Vero
Project Manager
New York State Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: Case 13-M-0314 – Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data Overall Executive Summary.

Dear Mr. Vero:

The Department of Public Service Audit Staff ("Staff") and its consultant, Overland Consulting Group ("Overland"), completed an operations audit of the New York State Utilities. As a product of the audit Staff provided to Central Hudson Overland's Final Audit Report ("Report") on January 6, 2016. Central Hudson respectfully offers for the Staff's consideration its comments on the Report attached to this letter.

Overland submitted a significant number of data requests to Central Hudson and interviewed many of Central Hudson's employees as part of the audit process. Central Hudson worked with Overland and Staff to provide all of the information requested on a timely basis. Central Hudson cooperated with Staff and Overland to conduct the audit in an efficient and productive manner. The cooperation among Central Hudson, Staff and Overland facilitated an understanding of the issues raised during the audit process. During the course of the audit Overland examined operational data in three areas of the company which include: Electric Reliability, Gas Safety and Customer Service. Central Hudson fully participated in the audit process.

Periodic operations audits are consistent with Central Hudson's core value of continuous improvement. Central Hudson encourages all employees to identify opportunities to improve business processes and to implement cost effective solutions. Similarly, Central Hudson welcomes recommendations for improvement from independent parties such as Overland. Central Hudson will evaluate each of Overland's recommendations and if it agrees, will develop an appropriate implementation plan for the New York Public Service Commission's ("Commission") consideration.

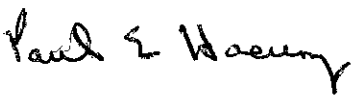
284 South Avenue • Poughkeepsie, NY 12601
Phone: (845) 486-5351 • Fax: (845) 486-5697
email: phaering@cenhud.com

www.CentralHudson.com

Central Hudson has identified some factual errors in the Report and also has concerns related to some findings and recommendations. Central Hudson's comments will address each of the factual errors, findings and recommendations segregated by the various subject areas of the audit.

Central Hudson is committed to utilizing substantial resources performing the necessary analyses in order to present a responsible implementation plan to the Commission. Central Hudson agrees with the majority of the findings and recommendations identified in the Report that will improve the accuracy of its reported performance metrics. Central Hudson will propose an implementation plan that strives to do just that.

Respectfully submitted



STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Operations Audit of the Accuracy of New York State Utilities' Self- Reported Data	Case 13-M-0314

CENTRAL HUDSON GAS & ELECTRIC CORPORATION'S COMMENTS ON THE OPERATIONS AUDIT OF THE ACCURACY OF NEW YORK STATE UTILTIIES' SELF-REPORTED DATA FINAL AUDIT REPORT SUBMITTED TO THE NEW YORK PUBLIC SERVICE COMMISSION BY OVERLAND CONSULTING

INTRODUCTION

The New York Public Service Commission ("Commission") ordered New York State Utilities including Central Hudson Gas & Electric Corporation ("Central Hudson") and Department of Public Service Staff ("Staff") to enter a contract with Overland Consulting ("Overland") to perform an operations audit of the New York State Utilities including Central Hudson.

Central Hudson cooperated with Staff and Overland to conduct the audit in an efficient and productive manner. The cooperation among Central Hudson, Staff and Overland facilitated an understanding of the issues raised during the audit process. During the course of the audit Overland examined operational data in three areas of the company which include: Electric Reliability, Gas Safety and Customer Service. Central Hudson fully participated in the audit process.

The Report contains some factual errors and Central Hudson also has concerns related to some of the findings and recommendations. Central Hudson's comments will

address each of the factual errors, findings and recommendations segregated by the various subject areas of the audit.

DISCUSSION

I. Electric Reliability

A. Electric Reliability – Correction of Facts:

In general Central Hudson agrees with the facts presented in the Electric Reliability audit, with the exception of the graph presented in Central Hudson section 8-15 page 183. The horizontal axis on the graph includes a label for a 5 year average. As the inclusion of this label is an error and should be removed.

B. Electric Reliability – Comments on Findings:

Central Hudson has no comments on the Electric Reliability Metric findings applicable to all utilities and those specific to Central Hudson.

C. Electric Reliability – Comments on Recommendations:

1. **(Section 2-7, page 39)Ensure that training programs, especially for operations and all center staff, include emphasis on providing a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made to reliability data records in various related systems, without the need to refer to a subject matter expert.**

While Central Hudson agrees in concept with the recommendation, consideration should be given for setting a threshold for minimum outage size during implementation due to the fact that at a certain level the information may have little or no value.

II. Gas Safety

A. Gas Safety – Correction of Facts:

In general Central Hudson agrees with the facts presented in the Gas Safety section of the audit, with the exception of the following comments;

1. **(Section 10-20, page 455): One system that is used to generate gas safety data is Central Hudson's Customer Information System (CIS). The CIS has historically also been used to store leak information and emergency response times. Beginning in 2013, Central Hudson began transitioning to a software called GL Essentials to capture data for both above grade and below-grade leaks. Gas crews responding to a gas odor enter relevant**

The comment is inconsistent with the process Central Hudson follows because above grade leaks are still processed using the CIS system. This information will reside in CIS and will not be transitioned to GL Essentials.

2. **(Section 10-20, page 472):** ***Simulation of Emergency Response.*** **At Central Hudson, the response time to be measured begins when the order is created by the customer service representative. This time is captured by the system and the order is electronically**

forwarded to dispatching. The "arrival time" is when the emergency responder arrives at the location of the emergency and the emergency response clock "stops" for purposes of this metric.

The comment on the simulation of emergency response should state the following; response time to be measured begins when the call is determined to require emergency response and the final action is taken by the Customer Service Representative (CSR) to create the order. This methodology is consistent with how the metric was established in 2003 (documented in Chris Stolicky letter, referred to as attachment B3) in that, the time is measured from when the CSR hands off the notification internally to its dispatch organization to the arrival of a qualified person.

Based on a letter Central Hudson received from Staff dated December 11, 2015 "emergency times are measured from the time a report is received by the gas corporation to the time a qualified employee arrives. Staff is inconsistent and will need to confirm this change must be adopted by the various utilities. This is correction should be restated in section 10-17, page 469 and section 10-20, page 472.

B. Gas Safety – Comments on Findings:

Central Hudson has no comments on the Gas Safety Metric findings applicable to all utilities and those specific to Central Hudson.

C. Gas Safety – Comments on Recommendations:

Recommendations applicable to Commission, Staff and all Utilities (contained in Executive Summary)

1. **(Section 1-6, page 22) We recommend the NYSPSC Staff host a workshop for the New York utilities where the utilities and Staff can come to a consensus on how the gas safety metrics are to be calculated and what they should measure. It has been over 10 years since the Staff last held a collaborative session with the utilities to address the content and calculation of gas safety metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing gas safety data and calculating metrics that can be utilized by all nine utilities. For example, one item that should be addressed in this workshop is whether it is appropriate for companies to group leaks in close proximity to each other when reporting leak backlog performance metrics. Once a decision has been made regarding this and other comparability matters, updated guidance should be provided to all utilities. This would improve the comparability of the Annual Performance Measures report and allow it to be a more useful benchmarking tool.**

Staff issued on December 11, 2015 a guidance letter detailing 2016 metric reporting requirements. Central Hudson is intending to comply with this guidance letter.

2. **(Section 1-7, page 23) Time duration graphs should be filed in conjunction with the utilities' submission of their emergency response metrics. We recommend that each utility provide the NYSPSC with a graphical depiction of its emergency response time duration distribution. This graph should be populated with the data that was used to calculate the Company's emergency response performance metrics. Any unusual patterns in this graph should be explained in detail.**

Staff has in the past required individual order data to be supplied for any quarter where a metric was not met and Central Hudson does not see the benefit that may be gained by requiring this information to be graphed.

3. **(Section 1-8, page 24) Damage prevention statistics should be enhanced to provide the NYSPSC greater clarity regarding the root causes of the damages. Damage statistics reported to the NYSPSC are classified into one of four categories: Mismarks, Company and Company Contractors, Third Party Negligence, and No-Calls. While these categories are generally sufficient, requiring the utilities to provide a more detailed view would provide the NYSPSC with enhanced clarity regarding how to compare the utilities amongst their peers. Specifically, we would recommend dividing the "Mismarks" damage category into two subcomponents: "Mismarks Due to Mapping Error" and "Mismarks Due to Locator Error." All utilities maintain this information for internal reporting**

purposes, so it will require little if any incremental reporting effort on behalf of the utilities. This additional information will allow NYSPSC Staff to more easily identify the causes of mismarks. The "Company and Company Contractors" damage category should also be split into two subcomponents: "Company and Company Contractors Damages Caused by Gas Utility excavation" and "Company and Company Contractor Damages Caused by Electric Utility Excavation." As stated previously, the Company and Company Contractors Damages are biased against combination utilities because damage to the utility's infrastructure caused by the electric utility's excavation is included in this metric. Separating the Company and Company Contractors damage category as discussed above will allow the NYSPSC to compare the performance of combination utilities and gas-only utilities in a more equitable manner.

Staff has exceeded the Overland recommendations based on the requirements of Staff's guidance letter dated December 11, 2015, by defining in the new worksheet for its analysis of damages with several newly created sub-categories that are more specific than Overland's recommendations. Central Hudson has also adopted more root causes that are mapped to the various sub-categories.

4. **(Section 1-8, page 24) Each utility should be required to file a letter with the NYSPSC that explicitly and directly provides a comparison of the utility's performance with its minimum performance standards set forth in the utility's individual rate plan. During our**

audit, we found instances in which a utility's performance with regard to its infrastructure replacement requirements was not directly provided to the NYSPSC. To avoid this issue in the future, each utility should be required to file a letter that provides a direct and explicit comparison of the utility's minimum standards (as ordered in the utility's most recent rate case) versus its actual performance (as calculated by the utility).

Central Hudson has and will continue to annually file its gas safety metrics letter to Director, Office of Electric, Gas & Water each January.

Recommendations applicable to Specifically to Central Hudson

1. **(Section 10-2, page 454) Instead of truncating its emergency response times, Central Hudson should measure its emergency response times in accordance with NYSPSC requirements. If system constraints do not allow for such measurements, Central Hudson should manually adjust its times in order to make its best effort to conform to NYSPSC requirements.**[1]

Central Hudson is currently working with its Information Technology Department to put in place system modifications required to measure its emergency response times in accordance with Staff's December 11, 2015 guidance letter.

2. **(Section 10-9, page 461) Central Hudson should develop a robust set of root causes for all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage**

prevention documentation so that it is evident which root cause has been assigned to each damage incident.

Central Hudson has adopted more root causes that are mapped to the various sub-categories established in accordance with Staff's December 11, 2015 guidance letter. Central Hudson's revised procedure is more detailed than Overland's recommendations.

3. **(Section 10-9, page 461) In accordance with NYSPSC guidance, Central Hudson should use only new one-call tickets when calculating its damage prevention metrics.**

Central Hudson has only been including new tickets when calculating its damage preventions metrics since calendar year 2014.

III. Customer Service

A. Customer Service – Correction of Facts:

In general Central Hudson agrees with the facts presented in the Customer Service section of the audit, with the exception of the following comments;

1. **(Section 10-18, page 640): Central Hudson's PI Report includes the number of calls received, percent of calls answered, the number of calls requesting a representative, and the percentage of calls answered by a Customer Service Representative (CSR) within 30 seconds from 8:00 am to 4:30 pm Monday through Friday. The calls in this metric are received by the utility's main phone lines, one of which is a toll-free number. The types of calls received and included in this metric for the PI report are listed below:**

- **Collection calls (taken at Central Hudson's call center and a vendor call center, CBCS)**
- **Contractor line calls (new business)**
- **Department of Social Services line calls**
- **Energy Efficiency line calls**

In addition to the call types stated above General Customer Service calls (including but not limited to turn on/off) are include in Central Hudson's reported metrics

2. **(Section 10-18, page 640): The telephone response metric in the PI report does not include calls into the gas odor hot line, outage related calls, or the administrative line.**

The telephone response metric in the PI report includes outage related calls, the statement above from the audit report is not correct.

3. **(Section 10-19, page 641): *Call Management Systems.* In December 2013, Central Hudson upgraded their phone system from Siemens 9006 HiCom 300E Phone Switch to a Siemens Voice Over Internet Protocol (VOIP) system. Also on December 5, 2013, the utility upgraded its Interactive Voice Response (IVR) system.[29] After the upgrade, customers are able to use the IVR to pay a bill, determine the balance due to the utility, request a customer service representative, and perform various other customer transactions. Central**

Customers were able to pay a bill, determine the balance due to the utility, request a customer service representative, and perform various other customer transactions prior to the upgrade.

4. **(Section 10-33, page 655): Meter readings are obtained manually and through the use of ERT meters. Central Hudson has increased its ERT usage from 23.9% in 2008 to 38.7% in 2013.74 The utility uses Itron's Field Collection System (FCS) for its data collection system along with Itron's FC300 handheld processors. Each workday morning, CIS loads the meter reading routes for the day into each reader's handheld device. Manual readings are collected by keying the readings into the reader's handheld device or through the use of an optical probe.**

Central Hudson records readings by keying in the readings into the meter reader's handheld device or through the ERT meter.

5. **(Section 10-46, page 668): As shown above, in 2003 the survey return rate was somewhere between 14 and 16%.96 The response rate sharply declined from that point until 2009 when it began to moderately increase. During our interview for this metric, Central Hudson could not explain the reason for the decrease leading up to 2009. The utility cited increased storm activity as the reason for the increase in customer response rate from 2009 to 2011.97**

> **CentIn 2011, due to the low response rates for the customer satisfaction survey, Central Hudson began developing a new customer satisfaction survey method, which was implemented in March 2012. The method include three different types of surveys: an after-call survey, a post-website transaction survey, and a postcard with information to complete a survey via the phone or internet. This new survey method was being run alongside the How Did We Do? survey from March 2012 through the end of 2013. The goal of the survey was to reach more customers than the traditional survey used by Central Hudson. When analyzing the response rate data for the three different types of surveys, Central Hudson found that none of the three types of surveys produced a statistically significant number of responses. The utility plans to discontinue this survey method and continue with the How Did We Do? survey.[98]**

There are two typos in this section, at the start of the fourth sentence "CentIn" should be corrected to "Central".. In the fifth sentence "include" should be corrected to "includes". Central Hudson requests that the fourth sentence be revised to state the following "*due to the low response rates for the customer satisfaction survey* **prior to 2010,**" to draw attention to the fact that prior to 2010 is when we experienced the lowest return rates.

Also in this section, the last sentence states that "the utility plans to discontinue this survey" this statement should be revised to "the utility discontinued this survey".

6. **(Section 10-47, page 669): As illustrated in the graph above, the three areas Central Hudson should focus on improving with regard to customer interactions are: accessibility to utility, first call resolution, and ease of use of the Power Line. The areas in which Central Hudson seems to excel regarding customer interactions are courtesy of its field representatives and CSRs. In many areas, customer satisfaction is very low in April relative to other months, which is reasonable as many customers are dealing with high bills from heating their premises over the winter. September results were also lower, likely due to customers making arrangements with the utility to provide heating during the upcoming winter months.**

The section states the September results were lower likely due to customers making arrangements with the utility to provide heating during the upcoming winter months. This statement is incorrect; the reason for the lower satisfaction in September was due to customers making arrangements for higher summer bills.

B. Customer Service – Comments on Findings:

Generally Central Hudson has no comments on the Customer Service metric findings applicable to all utilities or those specific to Central Hudson with the exception of the following;

1. **(Section 10-47, page 669): Audit Findings**

1. **In addition to the metrics provided for PI and C5PI reporting, Central Hudson maintains a number of additional metrics for internal use. In general, these are designed to measure accuracy, productivity or call center work quality.**
2. **Central Hudson maintains a robust set of metrics on first call resolution. These metrics are included in the Customer Relations Metric (CRM) survey developed with the intent to replace the existing customer satisfaction survey whose results are submitted to the NY5P5C.**

In regard to Audit Findings number 2 in this section the Customer Relations Metric (CRM) survey is the after call survey, which is used for call quality monitoring purposes. There was no intent to develop this survey to replace the existing customer satisfaction survey whose results are submitted to the NYSPSC.

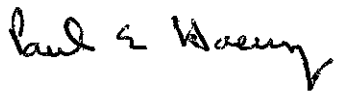
C. Customer Service – Comments on Recommendations:

Central Hudson agrees in concept with the recommendations applicable to all utilities as well as those specific to Central Hudson. However, for some recommendations consideration should be given for setting a minimum threshold during implementation due to the fact that at a certain level the information required may have little or no value.

CONCLUSION

Periodic operations audits are consistent with Central Hudson's core values of continuous improvement. Central Hudson embraces the prospect of an operations audit designed to permit an independent observer to identify areas in need of improvement.

Respectfully submitted



National Fuel

January 29, 2016

Mr. Ron Vero
Project Manager
New York State Department of Public Service
Three Empire State Plaza, 19th Floor
Albany, New York 12223

Re: Case 13-M-0314 – Focused Operations Audit of Utilities' Reported Data

Dear Mr. Vero,

National Fuel Gas Distribution Corporation ("NFGDC" or the "Company") appreciates this opportunity to comment on Overland Consulting's ("Overland" or the "Consultant") Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data ("Final Report"). The Final Report was provided to the Company on January 4, 2016, and as respects NFGDC, focused on the areas of gas safety and customer service data. The Company is committed to assisting Staff through the reporting of certain data used to evaluate gas safety and customer service and to working toward the mutual goal of assuring the continued safe and reliable operation of the Company's system. NFGDC's commitment to pipeline safety is a top priority, and is a continuing focus for all of our employees.

As an initial matter, the Company is uncertain as to the practical purpose of this proceeding. Overland appears to recommend a statewide process for establishing uniform data reporting requirements or guidelines. That process might reasonably commence with statewide workshops or a collaborative, followed by proposed guidelines or rules subject to notice and comment. That process, however, has not been made clear.

Turning to the particulars of the audit itself, the Final Report provides 48 Customer Service and 35 Gas Safety recommendations, for a total of 83 recommendations pertaining to NFGDC. At this time, the Company will be commenting on 49 of the 83 recommendations as requested in Department of Public Service Staff's ("Staff") January 4, 2016 letter. More specifically, NFGDC's comments will pertain to all 35 Gas Safety recommendations and 14 of the 48 Customer Service recommendations. We intend to comment on the remaining 34 recommendations at a later date, as jointly determined by Staff and the New York State Public Service Commission ("Commission").

NFGDC has categorized the 49 recommendations currently open to comment as follows:

- 13 of the 49 recommendations were already in practice at NFGDC before the audit field work began, rendering the Consultant's recommendations redundant;
- 9 of the 49 recommendations repeat earlier recommendations contained within the audit report (the Consultant makes the same recommendation multiple times);

- 3 of the 49 recommendations are directed to Staff and accordingly should not be included in utility implementation plans;
- 2 of the 49 recommendations are duplicative of recommendations from the Schumaker & Company ("Schumaker") Management Audit Report issued to the Company in July 2013 (Case 11-G-0580), which predated the kickoff meeting for the Overland audit by approximately 8 months; and
- 22 of the 49 recommendations are under further consideration by NFGDC for potential acceptance, acceptance with modification, or rejection.

The Company is concerned with several aspects of the Final Report and wishes to make the following points:

- Implementation of certain recommendations may be costly. NFGDC agrees with the Consultant that there are no dollar savings to be achieved from the audit. The Company, however, takes exception to the Consultant's apparent assumption that there are no significant dollar costs that will be incurred. Several recommendations will undoubtedly require the Company to expend resources in order for the recommendations to be implemented or considered. Beginning with the implementation phase of the audit and extending beyond, to the fullest extent possible, NFGDC will continue to refine costs and timelines of proposed recommendations or viable alternatives, and where possible, offer more efficient, alternate ways of achieving implementation than the Consultant originally envisioned.

- The Company identified a number of factual inaccuracies and significant mischaracterizations in the Draft Report. Although the Company responded in writing with detailed comments to each of these items on February 27, 2015, Overland did not incorporate the necessary corrections into the Final Report, nor was there any explanation in the Final Report acknowledging the Company's concerns and explaining why such concerns were not addressed. As regards those inaccuracies, therefore, the report remains inherently flawed, and the Company respectfully reiterates its request for correction in accordance with its February 27, 2015 comments. In addition to factual inaccuracies and mischaracterizations, NFGDC notes inconsistencies in the Consultant's Final Report, when comparing volumes, chapters, executive summaries, comparison chapters, and/or the utility-specific chapters.

  As an illustrative example, on page 2-2 of the Customer Service Metrics Comparison volume, Overland noted "none of the utilities had adequate written procedures documenting the processes, methodology or internal controls over the gathering, processing, calculating and reporting . . ." However, earlier on page 2-2 of the Customer Service Metric comparison volume, Overland noted "none of the utilities, except National Fuel had procedures in place . . .". In addition, on page 11-2 of the Customer Service – National Fuel volume, Overland noted that for NFGDC "internal control over the major enterprise systems that produce customer service data (CIS, the customer information system; CSO, the customer service order system; Hydrus handheld computers, the meter reading system;

Contact Center Manager, the call management software; and the Mobile Dispatch System and In-Vehicle Customer Service System, the mobile workforce management system) appear adequate to ensure that the basic data available from the systems is accurate and up to date."

- Overland performed a detailed review of NFGDC's Gas Safety and Customer Service performance metrics. While Overland identified some potential process improvements with respect to the capture and processing of data, in no instance does NFGDC believe that the Company's performance fell below the acceptable threshold for any Gas Safety or Customer Service performance metric. Moreover, the Company believes it has fully complied with all laws, regulations and Commission Orders regarding data reporting and objects to any characterization in the Overland Final Report to the contrary.

- Based on the experience that the Company had with Schumaker during its recent management audit, it should be clear that NFGDC has always embraced the audit process as envisioned in the Public Service Law. Notwithstanding this fact, it must be recognized that implementation of a number of the recommendations in the Overland audit carry with them a substantial timeline, commitment of internal and external resources, out of pocket costs and/or significant training. For example, these recommendations may require the development and/or reprogramming of Company technology systems, as well as the potential replacement of legacy systems. Addressing these recommendations will be impacted by the Company's long-term technology plan and schedule. NFGDC looks forward to considering the merit of recommendations in a manner and timeline that the organization can reasonably implement without: (1) sustaining potentially serious, deleterious consequences, and (2) substituting a number of manual processes which could potentially be administratively burdensome.

  Also impacting the potential implementation of these recommendations is the fact that the Company is currently in the process of installing a new customer billing system, with an anticipated go-live date in spring of 2016. This is a major undertaking affecting the Company's internal control environment and requiring significant internal resources. As a consequence, it is not feasible for NFGDC to pursue technological programming changes at this time. In addition, the new customer billing system is anticipated to require a six to eight month stabilization period following the go-live date, to address any issues that may arise with system functionality.

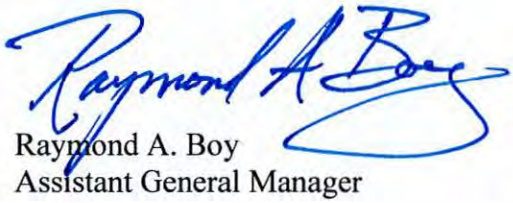
NFGDC notes the significant efforts by the Company's subject matter experts and support personnel in providing complete, clear and timely responses to Overland's 188 data requests and 27 interviews. To assist and facilitate the audit process, NFGDC prepared detailed process flow charts identifying the Company's functional workflows, and explained functional processes in detail to the Consultant. Furthermore, NFGDC personnel facilitated the interview process by providing panels of Company subject matter experts, thus affording the Consultant with full and complete information in a productive manner. This represented a significant investment of Company resources. Given that the Company is still working on the

implementation of recommendations from the Schumaker Audit, and given the overlap identified above, we remain concerned that resources could be utilized in a more efficient manner.

In conclusion, NFGDC is justifiably proud of its gas safety and customer service performance. NFGDC has been building and operating natural gas infrastructure for more than a century and the Company has worked hard to establish a culture that embraces continuous improvement in all aspects of safety. NFGDC's highest priority is the safety of our customers, employees and the communities we serve. For example, in November 2014, the Company's commitment to safety was demonstrated when parts of the NFGDC's service territory received more than seven feet of snow in a 48 hour period. NFGDC quickly distributed messaging via radio and online media and engaged in a proactive media relations effort with print and broadcast media. Our crews did an outstanding job of making sure that the Company's gas distribution system operated safely and reliably throughout the storm, the clean up, and the entire heating season. The Company's response to this event exemplifies, in practice, the enduring commitment we have to the safe and reliable operation of our system, while providing superior customer service.

The Company looks forward to working collaboratively with Staff in pursuing enhancements and opportunities, consistent with the appropriate process.

Respectfully yours,



Raymond A. Boy
Assistant General Manager

Cc: Evan Crahen – National Fuel

Patric R. O'Brien
Assistant General Counsel

February 12, 2016

VIA ELECTRONIC MAIL
Mr. Ronald Vero
New York Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: Case 13-M-0314 – Focused Operations Audit of Utilities' Reported Data

Dear Mr. Vero:

Pursuant to your correspondence dated January 31, 2016, Niagara Mohawk Power Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, and KeySpan Gas East Corporation d/b/a National Grid (collectively, "National Grid" or "Company") submit their comments to Overland Consulting's Final Audit Report.

- Attachment 1 contains comments on the gas safety recommendations.
- Attachment 2 contains comments on the electric reliability recommendations.
- Attachment 3 contains comments on certain customer service recommendations. As instructed, the Company did not comment on the customer service recommendations listed in Attachment 2 to your correspondence.

As you will note, National Grid agrees with the majority of the recommendations and will set forth its implementation plan following issuance of the Commission's order in this matter.

Should you have any questions, please do not hesitate to contact me. Thank you for your time and attention.

Respectfully submitted,

/s/ Patric O'Brien
Patric R. O'Brien

Attachments

40 Sylvan Road, Waltham, MA 02451
T: 781.907.1850 ■ F: 781.907.5701 ■ patric.r.obrien@nationalgrid.com ■ www.nationalgrid.com

ATTACHMENT 1

New York Focused Operations Audit
Case 13-M-0314
Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Overall Gas Safety							
All	We recommend the NYSPSC Staff host a workshop for the New York utilities where the utilities and Staff can come to a consensus on how the gas safety metrics are to be calculated and what they should measure. It has been over 10 years since the Staff last held a collaborative session with the utilities to address the content and calculation of gas safety metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing gas safety data and calculating metrics that can be utilized by all nine utilities. For example, one item that should be addressed in this workshop is whether it is appropriate for companies to group leaks in close proximity to each other when reporting leak backlog performance metrics. Once a decision has been made regarding this and other comparability matters, updated guidance should be provided to all utilities. This would improve the comparability of the Annual Performance Measures report and allow it to be a more useful benchmarking tool.	Pg 1-6, #1		X	The workshop should also discuss the process for modifying the calculation of metrics that were set in utility rate plans. Specifically, any change in how the metrics have been historically measured and reported will require corresponding changes to the performance target to account for the new baseline of data. The Company submits that the proper forum to make these changes is in a rate case.		
All	The New York utilities and the NYSPSC should develop a formal protocol to address questions regarding the calculation of gas safety data. During the audit we identified several instances where the methodologies that the New York utilities used to derive their gas safety statistics varied among the different utilities. In some cases, this is because the utilities did not strictly adhere to guidance provided by the NYSPSC. In other cases, the differences were due to circumstances not explicitly addressed in NYSPSC guidance. It is clearly not possible for the NYSPSC to provide explicit guidance regarding every possible scenario. As such, the NYSPSC, in conjunction with the New York utilities, should develop a formal protocol to address questions regarding the calculation of gas safety data. Key elements of these procedures include the following: 1) The New York utilities should be expected to address any questions regarding the NYSPSC Staff's intent regarding the gas metrics through this formal process. Stated another way, rather than speculate what it believes the NYSPSC Staff's position would be, each New York utility should use this formal process to resolve any areas of uncertainty regarding the calculation of the gas safety data and 2) Any inquiries made to NYSPSC Staff during this process should be made available to each utility. This will allow all New York utilities to benefit from this process, and it will also help ensure that all utilities are using the same methodology for calculating their metrics – a key component in ensuring comparability amongst utilities.	Pg 1-6, #2	X				
All	The NYSPSC should periodically review the gas safety metrics submitted to the Commission by the utilities. Once a standardized method of reporting the gas safety metrics has been established from the workshop mentioned in recommendation #1, then the Commission should review or audit the gas safety data periodically to determine if any industry changes or changes at the individual utilities warrant changing the gas safety metrics or methodology used to report the metrics to the Commission	Pg 1-6, #3	X				
All	Each utility should periodically audit the internal controls, procedures, and gas safety metrics that are submitted to the Commission. The utilities should perform periodic internal audits of the gas safety metrics, with scope and objectives similar to this audit at least once every five years.	Pg 1-7, #4	X				
All	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting gas safety data to the NYSPSC. The manual should describe the source of the gas safety data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the data is calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.	Pg 1-7, #5	X				

New York Focused Operations Audit
Case 13-M-0314
Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Overall Gas Safety							
All	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of gas safety metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the gas safety metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.	Pg 1-7, #7	X				
All	Each utility should be required to file a letter with the NYSPSC that explicitly and directly provides a comparison of the utility's performance with its minimum performance standards set forth in the utility's individual rate plan. During our audit, we found instances in which a utility's performance with regard to its infrastructure replacement requirements was not directly provided to the NYSPSC. To avoid this issue in the future, each utility should be required to file a letter that provides a direct and explicit comparison of the utility's minimum standards (as ordered in the utility's most recent rate case) versus its actual performance (as calculated by the utility).	Pg 1-8, #3		X	NMPC, KEDNY, and KEDLI already file an annual gas safety performance report pursuant to its rate plans. The Company assumes that the current report covers this recommendation.		
NMPC	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting gas safety performance metrics reported by Niagara Mohawk, KEDNY, and KEDLI to the NYSPSC.	Pg 5-2, #2	X				
KEDNY	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting gas safety performance metrics reported by Niagara Mohawk, KEDNY, and KEDLI to the NYSPSC.	Pg 6-2, #2	X				
KEDLI	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting gas safety performance metrics reported by Niagara Mohawk, KEDNY, and KEDLI to the NYSPSC.	Pg 7-2, #3	X				
NMPC	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.	Pg 5-2, #3	X				
KEDNY	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.	Pg 6-2, #3	X				
KEDLI	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.	Pg 7-2, #4	X				
NMPC	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.	Pg 5-2, #4	X				
KEDNY	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.	Pg 6-2, #4	X				

New York Focused Operations Audit
Case 13-M-0314
Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Overall Gas Safety							
KEDLI	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.	Pg 7-2, #5	X				

New York Focused Operations Audit
Case 13-M-0314
Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Damage Prevention							
All	Damage prevention statistics should be enhanced to provide the NYSPSC greater clarity regarding the root causes of the damages. Damage statistics reported to the NYSPSC are classified into one of four categories: Mismarks, Company and Company Contractors, Third Party Negligence, and No-Calls. While these categories are generally sufficient, requiring the utilities to provide a more detailed view would provide the NYSPSC with enhanced clarity regarding how to compare the utilities amongst their peers. Specifically, we would recommend dividing the "Mismarks" damage category into two subcomponents: "Mismarks Due to Mapping Error" and "Mismarks Due to Locator Error." All utilities maintain this information for internal reporting purposes, so it will require little if any incremental reporting effort on behalf of the utilities. This additional information will allow NYSPSC Staff to more easily identify the causes of mismarks. The "Company and Company Contractors" damage category should also be split into two subcomponents: "Company and Company Contractors Damages Caused by Gas Utility Excavation" and "Company and Company Contractor Damages Caused by Electric Utility Excavation." As stated previously, the Company and Company Contractors Damages are biased against combination utilities because damage to the utility's infrastructure caused by the electric utility's excavation is included in this metric. Separating the Company and Company Contractors damage category as discussed above will allow the NYSPSC to compare the performance of combination utilities and gas-only utilities in a more equitable manner.	Pg 1-8, #2	X					
All	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include coating damages in their reported damage prevention performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-3, #1		X	The performance targets in the Company's rate plans were set based on historic practice and data. Because the Company has historically not included coating damage in the metric, the performance targets do not currently reflect this data. Thus, to the extent that coating damage will be included, NMPC, KEDNY, and KEDLI's performance targets will need to be recalculated. The proper forum to make such changes is in the Company's next rate cases. Consistent with Staff's instruction following issuance of the 2016 Gas Safety Performance Measure Guidance and Instruction ("2016 Guidance"), the Company will include coating damage in the 2016 Guidance reports; however, this data will not be included for purposes of measuring annual rate case performance targets, until the targets are reset in a future rate case. KEDNY and KEDLI have proposed revised targets in their current rate case filings that reflect the inclusion of coating damage in the metric. In addition, we do not agree with the recommendations throughout the gas sections of the report to retrospectively restate data. This recommendation is not found in the customer sections of the report and we do not believe that it has any value. In many cases, because the utilities never captured this data, it would not be available to restate. Moreover, retrospectively restating data could mischaracterize actual performance because the performance target is not being reset to capture the new data.		

New York Focused Operations Audit
Case 13-M-0314
Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Damage Prevention							
All	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for unreported damages discovered in the current year. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-3, #2	X		Pursuant to the 2016 Guidance, unreported damage will be counted in the year it was discovered. This is consistent with how NMPC, KEDNY, and KEDLI have historically reported this data.		
All	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for damages to gas facilities in the process of being replaced. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-3, #3	X		Pursuant to the 2016 Guidance, damage to gas facilities in the process of being replaced is included in the metric (if active or energized). This is consistent with how NMPC, KEDNY, and KEDLI have historically reported this data.		
All	The utilities and the NYSPSC should either – 1) confirm that the classification of damages attributed to work done on behalf of the local electric utility is intended to be different between combination utilities and gas-only utilities; if this is the case, that fact should be disclosed in the Gas Safety Performance Measures Report, or 2) agree to always include damages attributed to work done on behalf of the electric utility to damages due to excavator error. In that latter case, to the extent that any gas-only utility company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-3, #4	X		KEDNY and KEDLI have historically classified damages caused by the local electric utility as damages due to excavator error. NMPC will follow the 2016 Guidance.		
All	Each company should submit to the NYSPSC a detailed description of the types of activity it includes or excludes from its one-call ticket counts used in the computation of damage prevention performance metrics. For companies that use more than one one-call system, this exercise should be performed for both systems. Using these descriptions as a guide, the utilities and the NYSPSC should agree on the inclusion or exclusion of each different type of one-call system activity for purposes of computing performance metrics. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.[1]	Pg 2-3, #5	X				
NMPC	NiMo should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.	Pg 5-10, #1		X	The performance target in the Company's rate plan was set based on historic practice and data. Because the Company has historically not included coating damage in the metric, the performance targets do not reflect this data. Thus, to the extent that coating damage will be included, NMPC's performance targets will need to be recalculated. The proper forum to make these changes is in the Company's next rate case. Consistent with Staff's instruction following issuance of the 2016 Guidance, the Company will include coating damage in the 2016 Guidance reports; however, this data will not be included for purposes of measuring annual rate case performance targets, until the targets are reset in a future rate case.		

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Damage Prevention							
KEDNY	KEDNY should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics	Pg 6-10, #1		X	The performance target in the Company's rate plan was set based on historic practice and data. Because the Company has historically not included coating damage in the metric, the performance targets do not reflect this data. Thus, to the extent that coating damage will be included, KEDNY's performance targets will need to be recalculated. KEDNY has proposed revised targets in its current rate case filing that reflect the inclusion of coating damage.		
KEDLI	KEDLI should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.	Pg 7-11, #1		X	The performance target in the Company's rate plan was set based on historic practice and data. Because the Company has historically not included coating damage in the metric, the performance targets do not reflect this data. Thus, to the extent that coating damage will be included, KEDLI's performance targets will need to be recalculated. KEDLI has proposed revised targets in its current rate case filing that reflect the inclusion of coating damage.		
NMPC	Root causes should be consistently mapped to the same PSC classification by all National Grid New York utilities.	Pg 5-10, #2	X				
NMPC	NiMo should establish a new root cause for incidents involving the marking and excavation by company crews that results in a damage to underground pipe. This new root cause should be mapped to the PSC classification attributing the damage to Company and Company Contractors.	Pg 5-10, #3				X	We disagree with the recommendation because we believe it is incorrect. The incident Overland refers to was designated as Company and Company Contractor error. Because an NMPC crew marked the location and subsequently caused the damage, we believe that this designation is correct.
KEDNY	If KEDNY cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC	Pg 6-10, #2	X				
KEDLI	If KEDLI cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC	Pg 7-11, #2	X				
KEDNY	At a minimum, support for damages not attributed to no-calls should include proof that a one-call ticket was requested and locate action taken.	Pg 6-11, #3	X				

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Damage Prevention							
KEDNY	The company should be able to produce evidence of a one-call ticket for any damage attributed to excavator error, company and company contractors, or mismarks. Otherwise, compelling evidence should be provided that demonstrates that a different root cause was the grounds for the damage incurred.	Pg 6-11, #4	X				

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Emergency Response							
All	Time duration graphs should be filed in conjunction with the utilities' submission of their emergency response metrics. We recommend that each utility provide the NYSPSC with a graphical depiction of its emergency response time duration distribution. This graph should be populated with the data that was used to calculate the Company's emergency response performance metrics. Any unusual patterns in this graph should be explained in detail.	Pg 1-7, #1		X	The Company is willing to provide time duration graphs, but requires clarification on the format of the graphs.		
All	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and exclude emergency calls made by operator-qualified personnel during normal business hours from their reported emergency response performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-10, #1		X	We do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section.		
All	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include emergency calls in their reported emergency response performance metrics involving an initial report of a gas-related or unidentified odor and subsequently determined to be something other than natural gas. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-10, #2		X	The metric should exclude gas leak and odor calls resulting from mass area odor complaints (of which there can be in excess of hundreds in a single instance), significant weather-related occurrences and major equipment failures. These exclusions are consistent with the exclusions in Con Ed's emergency response metric, which was approved by the Commission. KEDNY and KEDLI have proposed this exclusion in its recent rate filings. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section.		
All	Companies should include emergency calls in their reported emergency response performance metrics involving an initial report of carbon monoxide and subsequently determined to be something else. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-11, #3				X	The majority of the utilities have not included these calls in the metric, as demonstrated in table 2-6 of the report. Thus, it is fair to assume that the performance targets were based on historic data that did not include these calls. An adjustment to the rate case performance targets would be required if these calls were to be included. Guidance is needed from Staff as to this recommendation.

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Emergency Response							
NMPC	NiMo should program its systems to group and report emergency response time durations in compliance with PSC intent.	Pg 5-2, #1		X	Any changes to capture response times in a new manner will require modifications and/or upgrades to the Company's current systems. The Company is currently investigating such upgrades. Until systems upgrades are made, the Company will report response times utilizing the 2016 Guidance. The Company takes issue with Overland's language in the finding to the extent it implies that the Company's historic practice was somehow incorrect. As Overland found, all of the utilities have historically truncated emergency response times (which suggests that this was industry practice). Thus, it appears that there are system limitations across all the utilities that make this recommendation impractical. Further, when the targets were set, it is fair to assume that the calculation was based on historic data, which reflected the utilities' practice of truncating emergency response times. As such, reporting response times in this matter did not unfairly benefit the utilities, but simply reflected historic practice and allowed for relevant year-over-year comparison. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section.		
KEDNY	KEDNY should program its systems to group and report emergency response time durations in compliance with PSC intent.	Pg 6-2, #1		X	Any changes to capture response times in a new manner will require modifications and/or upgrades to the Company's current systems. The Company is currently investigating such upgrades. Until systems upgrades are made, the Company will report response times utilizing the 2016 Guidance. The Company also takes issue with Overland's language in the finding to the extent it implies that the Company's historic practice was somehow incorrect. As Overland found, all of the utilities have historically truncated emergency response times (which suggests that this was industry practice). Thus, it appears that there are system limitations across all the utilities that make this recommendation impractical. Further, when the targets were set, it is fair to assume that the calculation was based on historic data, which reflected the utilities' practice of truncating emergency response times. As such, reporting response times in this matter did not unfairly benefit the utilities, but simply reflected historic practice and allowed for relevant year-over-year comparison. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section. Finally, we strongly disagree with Overland's comment that KEDNY would have missed the metric had it used the methodology that Overland is recommending. This speculative after the fact comment assumes that the Company would have taken no action to ensure compliance with the metric. It also ignores the methodology used historically to track and monitor performance and upon which the historic baseline was presumably set.		

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Emergency Response							
KEDLI	KEDLI should program its systems to measure its emergency response times to the second, and the reporting of emergency response time metrics should be calculated in compliance with PSC intent.	Pg 7-2, #2		X	Any changes to capture response times in a new manner will require modifications and/or upgrades to the Company's current systems. The Company is currently investigating such upgrades. Until systems upgrades are made, the Company will report response times utilizing the 2016 Guidance. The Company also takes issue with Overland's language in the finding to the extent it implies that the Company's historic practice was somehow incorrect. As Overland found, all of the utilities have historically truncated emergency response times (which suggests that this was industry practice). Thus, it appears that there are system limitations across all the utilities that make this recommendation impractical. Further, when the targets were set, it is fair to assume that the calculation was based on historic data, which reflected the utilities' practice of truncating emergency response times. As such, reporting response times in this matter did not unfairly benefit the utilities, but simply reflected historic practice and allowed for relevant year-over-year comparison. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section. Finally, we strongly disagree with Overland's comment that KEDLI would have missed the metric in the first 11 months of 2013 had it used the methodology that Overland is recommending. This speculative after the fact comment assumes that the Company would have taken no action to ensure compliance with the metric. It also ignores the methodology used historically to track and monitor performance and upon which the historic baseline was presumably set.		
KEDNY	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDNY should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors	Pg 6-22, #1		X	The metric should exclude gas leak and odor calls resulting from mass area odor complaints (of which there can be in excess of hundreds in a single instance), significant weather-related occurrences and major equipment failures. These exclusions are consistent with the exclusions in Con Ed's emergency response metric, which was approved by the Commission. KEDNY and KEDLI have proposed this exclusion in its recent rate filings. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section.		
KEDLI	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDLI should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors	Pg 7-22, #2		X	The metric should exclude gas leak and odor calls resulting from mass area odor complaints (of which there can be in excess of hundreds in a single instance), significant weather-related occurrences and major equipment failures. These exclusions are consistent with the exclusions in Con Ed's emergency response metric, which was approved by the Commission. KEDNY and KEDLI have proposed this exclusion in its recent rate filings. We also do not agree with the requirement to retrospectively restate data for the reasons stated in the damage prevention section.		

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Emergency Response							
KEDNY	KEDNY should take steps to ensure that legitimate emergency work orders are not improperly excluded from its performance metrics in the future.	Pg 6-22, #2	X				
KEDNY	KEDNY should program its systems to display and properly calculate the time durations for emergency response purposes to equal the difference between the on-site arrival time of a CMS technician and the receipt time of a reported emergency	Pg 6-22, #3	X		KEDNY moved to a manual calculation of response times.		
KEDLI	Absent a suitable manual review of underlying data, the company should program its primary emergency response time system, MDSI Advantex, to identify unusual patterns in the underlying time distributions so as to bring them to management's attention.	Pg 7-2, #1		X	The Company will provide a time duration graph.		
KEDLI	KEDLI should maintain basic, supporting data for its emergency response performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. System conversions and the development of new reporting capabilities should not render historical information irretrievable.	Pg 7-22, #1	X				
KEDLI	As part of its review of emergencies, all work orders with identical dates, times, and radio numbers should be assessed for duplication. Duplicate emergencies should then be excluded from the reported metrics filed with the PSC.	Pg 7-22, #3	X				

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Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Leak Management							
All	The utilities and NYSPSC should conduct a workshop that includes a thorough discussion with the purpose of determining the cause of the wide variation in total leak backlogs reported by various New York utilities to the NYSPSC. Differences in compiling the leak backlog data should be identified, and an agreement should be reached on how the data should be quantified by all utilities on a prospective basis. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year	Pg 2-15, #1				X	Because of differences in infrastructure, it will be difficult to standardize the leak backlog data across utilities. In addition, any change will negatively impact the trending analysis done by the utilities. We also do not agree with the recommendation to retrospectively restate data as discussed in the damage prevention section.
All	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to the grouping of leaks for purposes of reporting them in leak management performance metrics (e.g., year-end leak backlogs). This agreement should address both the grouping of leaks in close proximity to each other and leaks that are "duped" with existing unrepaired leaks. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.	Pg 2-15, #2				X	Because of differences in infrastructure, it will be difficult to standardize the groupings of leaks. In addition, there will be system costs associated with any potential modifications. Further, any change in how the metric has been historically measured and reported will require corresponding changes to the performance target to account for the new baseline of data. We also do not agree with the recommendation to retrospectively restate data as discussed in the damage prevention section.
NMPC	NiMo should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.	Pg 5-30, #1	X				
KEDNY	KEDNY should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.	Pg 6-34, #1	X				
KEDLI	KEDLI should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.	Pg 7-34, #1	X				

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Leak Management							
KEDLI	Although we observed no specific issues with the leak classifications assigned, the company should consider programming its LMS to assign leak classifications based on objective measurements taken in the field to eliminate the possibility that readings could be misinterpreted or misapplied.	Pg 7-34, #2				X	It will be extremely difficult to implement this recommendation in the current leak management system. In addition, there will be system costs involved. As Overland noted, there is no specific issue and we do not believe that a change is warranted. The Company is planning to upgrade its leak management system and will consider this option during the upgrade.
KEDLI	KEDLI should revise the methodology it uses to identify leaks to be included in its repairable leak backlog so that errors do not occur in the future. Overland discovered omissions from the backlog through a review of subsequent leak repairs. At a minimum, that same procedure should be used as a check and balance of the preliminary results.	Pg 7-34, #3	X				

New York Focused Operations Audit
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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Infrastructure Replacement							
All	In conjunction with NYSPSC Staff, each New York utility should develop a definition for what constitutes "leak-prone" materials for purposes of its infrastructure replacement program. During the audit, we found that the criteria regarding materials that could be categorized as "leak-prone" for purposes of the New York utilities' infrastructure replacement program varied amongst the different utilities. In some cases, the materials were defined in the utilities' individual rate orders. In other cases, utilities developed their own definition of what materials could be categorized as "leak-prone." Each utility should have clear, written guidance regarding the criteria it uses to classify material as "leak-prone."This written guidance should be provided to NYSPSC Staff when the utility submits the results of its performance for the infrastructure replacement program.	Pg 1-7, #6	X				
NMPC	NiMo should maintain basic, supporting data for its infrastructure replacement performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. Systems that become non-operational should not serve as a rationalization for filing unreliable information with the PSC.	Pg 5-36, #1	X				
KEDNY	KEDNY should maintain a detailed listing by work order number of the leak-prone pipe it replaced in the calendar year in electronic format that supports the quantities it reports to the state. At a minimum, these detailed listings should specify the date the work order was completed, the composition of the pipe replaced and the footage of pipe replaced.	Pg 6-41, #1	X				
KEDLI	Data concerning the composition of mains and services associated with the infrastructure replacement program metrics should be verified and corrected in Maximo.	Pg 7-41, #1	X				

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Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Other							
NMPC	NiMo should amend its PSC accident notification procedures to specify all incidents that are to be disclosed to the PSC.	Pg 5-41, #1	X				
NMPC	NiMo's written accident and interruption notifications to the PSC should provide a more complete chronological sequence of events. At a minimum, the company should specify the time it was notified of the incident, the time it completed its repairs, and the time the PSC was telephonically notified.	Pg 5-41, #2	X				
NMPC	NiMo should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.	Pg 5-41, #3	X				
KEDNY	KEDNY should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.	Pg 6-45, #1	X				
KEDLI	KEDLI should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.	Pg 7-46, #1	X				

ATTACHMENT 2

New York Focused Operations Audit
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Customer Service Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Overall Electric Reliability							
All	We recommend the NYSDPS Staff host a workshop for the New York utilities where the utilities and the Staff can come to a consensus on how the electric reliability metrics can be enhanced and/or improved. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of determining major event exclusions.	Pg 1-4, #1	X				
All	The NYSPSC should review the electric reliability metrics submitted to the Commission by the six utilities participating in this audit at least once every 10 years. Once any changes in the electric reliability metrics have been established from the workshop mentioned in Recommendation #1, then the Commission should review or audit the electric reliability data periodically to determine if any industry changes or changes at the individual utilities warrant changing the metrics or methodology used to report the metrics to the Commission.	Pg 1-4, #2	X				
All	Each utility should periodically audit the internal controls, procedures, and electric reliability metrics submitted to the Commission. The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.	Pg 1-4, #3	X				
All	Each utility should ensure that information systems contain data fields large enough to adequately describe relevant outage parameters and justification for data record changes. Each utility should also ensure adequate training is included for all staff that has a role in outage reporting to properly and completely provide this information.	Pg 1-5, #4	X				
All	Each utility should ensure an employee, other than the metric preparer, is responsible for reviewing the accuracy and completeness of electric reliability metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the electric reliability metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.	Pg 1-5, #5	X				
All	Ensure procedures require a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made without the need to refer to a subject matter expert	Pg 2-2, #1	X				

All	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations	Pg 2-2, #2	X		
All	The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.	Pg 2-2, #1	X		
All	Ensure that personnel who are charged with collecting, validating, and analyzing outage data are trained to thoroughly document the outages and any changes to the incident record during the collection or validation process.	Pg 2-4, #1	X		
All	All six electric utilities should consider requesting the NYSPSC to agree on eliminating district reporting requirements.	Pg 2-7, #1	X		
All	All six electric utilities should consider requesting the NYSPSC to include SAIDI as a more meaningful outage duration mertric for the six utilities.	Pg 2-7, #2	X		
All	All six electric utilities should evaluate if the 2.5 β method would be of value to them in managing major event and storm exclusions in comparison to the NYSPSC exclusion criteria. If it appears valuable, each utility should consider requesting the NYSPSC to consider adopting the IEEE 2.5 β method for event exclusions.	Pg 2-7, #3	X		
All	Ensure that training programs, especially for operations and call center staff, include emphasis on providing a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made to reliability data records in various related systems, without the need to refer to a subject matter expert.	Pg 2-7, #4	X		
All	RPM Performance - As noted earlier in the section titled Utility Suggested Metrics, consider providing expanded heat and weather anomaly exclusions to avoid penalties for events outside the norm.	Pg 2-8, #1	X		
NMPC	Ensure procedures require a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made without the need to refer to a subject matter expert	Pg 5-3, #1	X		
NMPC	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations	Pg 5-3, #2	X		
NMPC	Since other New York state utilities collect and analyze metrics such as Momentary Interruptions (MI) for internal purposes, we recommend that NMPC evaluate if this metric and other commonly-used metrics would be of value in assessing their electric reliability preformance.	Pg 5-20, #1		X	The PSC discontinued the MI metric for NMPC. We do not believe the metric has any value.

ATTACHMENT 3

New York Focused Operations Audit
Case 13-M-0314
Customer Service Recommendation Summary

Company	Recommendation	Reference (from most recent draft)	Agree	Agree with Modification	Comment	Disagree	Comment
Overall Customer Service							
All	We recommend the NYSDPS Staff host a workshop for the New York utilities where the utilities and the Staff can come to a consensus on how the customer service metrics are to be calculated and what they should measure. It has been 20 years since the Staff last held a collaborative session with the utilities that produced written guidance addressing the content and calculation of customer service metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing customer service data and calculating metrics that can be utilized by all nine utilities. This would improve the comparability of the PI Report and allow it to be a more useful benchmarking tool.	Pg 1-10, #1		X	The workshop should also discuss the process for modifying the calculation of metrics that were set in utility rate plans. Specifically, any change in how the metrics have been historically measured and reported will require corresponding changes to the performance target to account for the new baseline of data. The Company submits that the proper forum to make these changes is in a rate case.		
All	The NYSPSC should approve changes to CSPI and PI calculation methods and procedures before they are implemented. As discussed above, we found two examples in which utilities changed the method they had been using to calculate customer service metrics as soon as they were established as CSPIs. In both examples, the historical baselines upon which CSPI negative revenue adjustment thresholds were established were made irrelevant by the change in calculation.	Pg 1-10, #2	X				
All	The NYSPSC should periodically audit the customer service metrics that are submitted to the Commission by the nine New York utilities. Once a standardized method of reporting the customer service metrics has been established from the workshop mentioned in recommendation #1, we recommend the Commission review or audit the customer metrics data periodically (at least once every 10 years) to determine if any industry changes or changes at the individual utilities warrant changing the customer service metrics or methodology used to report the metrics to the Commission.	Pg 1-10, #3	X				
All	Each utility should periodically audit the internal controls, procedures, and customer service metrics that are submitted to the Commission in the PI and CSPI reports. The utilities should perform periodic internal audits of PI and CSPI reports, with scope and objectives similar to this audit. We believe that five years is a reasonable time period between such audits.	Pg 1-10, #4	X				
All	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting customer service data to the NYSPSC. The manual should describe the source of the customer service data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the data is calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.	Pg 1-10, #5	X				

All	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of customer service metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the customer service metric data that is submitted to the NYSPSC through the PI and CSPI Reports. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.	Pg 1-11, #6	X
All	Because customer service metrics and their supporting documentation are subject to regulatory review, the utilities should be required to maintain for at least 10 years (in electronic format) all supporting documentation, including source system data, for metrics submitted in PI and CSPI reports	Pg 2-2, #1	X
All	Each utility should create a comprehensive procedures manual that governs how customer service metrics will be compiled and reported to the NYSPSC. This manual should be updated at least annually and as necessary to account for changes. It should contain the following: • Definitions of the components of each metric (for example, what work orders are included in the non-emergency service response metrics). • The information systems that are the direct source for the data for each metric. • The electronic and manual processes for obtaining the components of each metric. • The process for calculating the components to yield the metric that is to be reported to the NYSPSC. • The process for transferring the data and any calculations from the information system to the Excel spreadsheets used to track the performance indicators and ultimately to the PI report. • The process of reviewing the data that is to be sent to the NYSPSC. • The personnel responsible for gathering the source data, calculating and manipulating the data, preparing the internal customer service metric spreadsheets, reviewing the internal customer service metric spreadsheets, and sending the metrics to the NYSPSC. The procedures manual should be updated on at least an annual basis and also as necessary. As it prepares the procedures manual, each utility should conduct an analysis to ensure that it understands what its metrics contain and how they are calculated.	Pg 2-3, #2	X
All	Among the procedures that should be implemented and documented in the manual recommended above is a requirement that all PI and CSPI reports, and all manually prepared supporting spreadsheets be checked for mathematical accuracy and reasonableness by someone other than the data preparer before reports are filed with the NYSPSC. The reviewer should sign off on their review attesting to having checked reports for accuracy. We believe this will significantly reduce the likelihood of math and number transposition errors in the metrics reported to the NYSPSC.	Pg 2-3, #3	X
All	The internal audit departments at each utility should conduct an audit or review of the customer service performance metrics that are reported to the NYSPSC through the PI and CSPI reports at least approximately every five years. The objectives of an internal audit of a utility's customer service performance measures should closely mirror the objectives of the NYSPSC audit Overland performed.	Pg 2-3, #4	X
NMPC	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.	Pg 5-2, #1	X
KEDNY	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.	Pg 6-2, #1	X

KEDLI	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.	Pg 7-2, #1	X
NMPC	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.	Pg 5-2, #2	X
KEDNY	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.	Pg 6-2, #2	X
KEDLI	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.	Pg 7-2, #2	X
NMPC	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.	Pg 5-2, #3	X
KEDNY	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.	Pg 6-2, #3	X
KEDLI	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.	Pg 7-2, #3	X
NMPC	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.	Pg 5-2, #4	X
KEDNY	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.	Pg 6-2, #4	X
KEDLI	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.	Pg 7-2, #4	X

KEDNY	As part of an internal audit of KEDNY's customer service metrics, National Grid should include analysis and testing of internal system controls over job order quantities and order initiation and completion dates maintained in the CRIS and Advantex MDSI systems.	Pg 6-3, #5	X

New York Focused Operations Audit
Case 13-M-0314
Customer Service Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Adjusted Bills							
KEDNY - CSPI	In KEDNY's next rate case, the NYSPSC should re-set the CSPI's adjusted bill negative revenue adjustment threshold to reflect the calculation currently being made, which removes adjusted bills not "due to an error by KEDNY." In other words, the current threshold should be reduced from 1.69% down to around 0.6% or 0.7%.	Pg 6-17, #1		X	KEDNY strongly disagrees with Overland's findings relative to this metric. Specifically, the findings ignore the plain language of KEDNY's Joint Proposal, which provides that the CSPI adjusted bill metric would be limited to "bills that later require adjustments due to errors by KEDNY." The definition was agreed to by the parties to the Joint Proposal and was ultimately adopted by the PSC. Further, KEDNY has consistently calculated and reported the metric to the PSC each year in its annual Customer Service Quality Performance Requirements report. The report specifically reflects the exclusion of non-company error rebills in the support included in the filing. In addition, it should be noted that although Staff proposed revisions to KEDNY's other service quality metrics in Case 12-G-0544, Staff did not propose any changes to the adjusted bills metric. Had there been a misunderstanding about the metric, it is likely that Staff would have proposed revising the target at that time. Notwithstanding our disagreement with the findings, KEDNY has proposed a revised adjusted bills CSPI target in its recently filed rate case that incorporates feedback from the adjusted bill workgroup. The target is more stringent than the previous target.		
KEDNY - CSPI	As part of KEDNY's next rate case, the Company and the NYSPSC should reach a mutual understanding of what is meant by the term "adjusted bill due to an error by KEDNY." The query logic for identifying and extracting bills that meet this definition should be fully documented by KEDNY and fully disclosed to and understood by NYDPS Staff charged with ensuring compliance. The adjusted bill rate calculation resulting from this understanding should form the basis of a new negative revenue adjustment threshold, as discussed in the prior recommendation.	Pg 6-17, #2		X	See comment above.		

New York Focused Operations Audit
Case 13-M-0314
Customer Service Recommendation Summary

Company	Recommendation	Reference	Agree	Agree with Modification	Comment	Disagree	Comment
Customer Satisfaction							
All	For the utilities using vendors to perform customer satisfaction surveys, we recommend the vendor and utility develop a Statement of Work for review by the NYSPSC that documents survey procedures in detail, including the following: • Deliverables to be produced, • Frequency and number of surveys to be completed, • Methods used to select customers, • How the surveys are conducted, • How results data is processed and managed, • Any authorization or requirement to exclude completed or partially-completed survey responses from the results provided to the utility as well as the rules and protocols for excluding the responses.	Pg 2-27, #1		X	We have no objection providing the Statement of Work to Staff.		
NMPC	NMPC should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor ISA. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to NMPC, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.	Pg 5-49, #1	X				
KEDNY	To facilitate an audit trail, as long as KEDNY continues to use mail surveys, it should obtain from its vendor, and be required to retain files containing scanned copies of its completed mail surveys. The process of scanning and creating Adobe-based files for approximately 100 surveys should not require more than a few minutes of effort each month.	Pg 6-48, #3		X	KEDNY will archive the mail surveys until it can move to a telephone survey.		
KEDLI	KEDLI should verify that its survey contractor, Mktg. Inc., is meeting its target of completing 150 surveys per month. To the extent it is not, KEDLI should determine the reason. If necessary, KEDLI should provide Mktg. Inc. a larger average monthly file of recent residential customer contacts to enable the vendor to meet its stated target for survey completions. In 2013, KEDLI sent Mktg. Inc. files containing only about one-eighth of the customers available for survey.	Pg 7-38, #1	X				

KEDLI	KEDLI should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor Mktg. Inc. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey from the survey database sent back to KEDLI, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.	Pg 7-38, #2	X

Three Empire State Plaza, Albany, NY 12223-1350
www.dps.ny.gov

April 20, 2016

Carl M. Carlotti
President
National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221

Re: Focused Operations Audit of Utilities' Reported Data (Case 13-M-0314)

Dear Mr. Carlotti:

At its session on Wednesday, April 20, 2016 the Commission released publicly the final audit report from Overland Consulting titled "Operations Audit of the Accuracy of New York State Utilities' Self-Reported Data" (the Final Report). Public Service Law Section 66(19) requires utilities subject to such audits to file a report with the Commission Secretary within 30 days after the issuance of the Final Report detailing the utility's plans to implement the audit recommendations. Attached is a list of the general and company-specific recommendations that are required to have implementation plans filed within 30 days. Also attached is a list of the customer service recommendations which are being remanded to another proceeding for further evaluation, and for which implementation plans need not be filed at this time.

National Fuel Gas Distribution Corporation's implementation plan should carefully consider the Final Report's findings, conclusions and recommendations. The Commission expects National Fuel Gas Distribution Corporation to make the necessary changes that will improve its performance and to demonstrate executive-level commitment to this process.

The implementation plan should include an overall characterization of the relative priorities for each of the recommendations, implementation action steps, schedules with specific interim milestones, risk/cost/benefit analyses, and the designation of executive officer accountability. National Fuel Gas Distribution Corporation is encouraged to consult with Staff during the development and execution of the implementation plan.

In the past, the Commission recognized the need for flexibility in how utilities implemented audit recommendations. The Commission wishes to retain that flexibility and encourages this spirit of cooperation to continue throughout the implementation process. National Fuel Gas Distribution

Corporation should advise Staff of any intentions to pursue alternative approaches than those specifically recommended by the auditors to address audit findings and recommendations. Staff will discuss such alternatives with the company, and then advise the Commission whether they are acceptable or require modifications. In the event that National Fuel Gas Distribution Corporation proposes (as part of or in connection with the implementation plan) alternatives to the Final Report's specific recommendations, appropriate justification must be provided. Justification must demonstrate, as appropriate, how the alternative: 1) more effectively addresses the root causes of the relevant issues and findings; 2) produces a more favorable risk/cost/benefit result; 3) is more technically feasible; and 4) is more desirable, based on other compelling analyses. The implementation plan should be filed with the Commission Secretary.

The Commission appreciated National Fuel Gas Distribution Corporation's cooperation and assistzance regarding the audit process, the consultants, as well as the company's receptivity to the Final Report. We look forward to your implementation plan and a successful execution.

If you have any questions, please contact our Project Manager, John Holst at 518.473.3786 or at john.holst@dps.ny.gov, or Sandra Reulet at 518.474.4502 or Sandra.Reulet@dps.ny.gov.

Yours very truly,

Audrey Zibelman
Chair, Public Service Commission

cc: Joseph N. Del Vecchio
Raymond Boy

Electric Reliability				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-1	Audit Recommendations Applicable to All Utilities	1	4	Overland recommends the NYSDPS Staff host a workshop for the New York utilities where the utilities and the Staff can come to a consensus on how the electric reliability metrics can be enhanced and/or improved. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of determining major event exclusions.
1-2	Audit Recommendations Applicable to All Utilities	2	4	The NYSPSC should review the electric reliability metrics submitted to the Commission by the six utilities participating in this audit at least once every 10 years. Once any changes in the electric reliability metrics have been established from the workshop mentioned in Recommendation #1, then the Commission should review or audit the electric reliability data periodically to determine if any industry changes or changes at the individual utilities warrant changing the metrics or the methodology used to report the metrics to the Commission.
1-3	Audit Recommendations Applicable to All Utilities	3	4	Each utility should periodically audit the internal controls, procedures, and electric reliability metrics submitted to the Commission. The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.
1-4	Audit Recommendations Applicable to All Utilities	4	5	Each utility should ensure that information systems contain data fields large enough to adequately describe relevant outage parameters and justification for data record changes. Each utility should also ensure adequate training is included for all staff that has a role in outage reporting to properly and completely provide this information.
1-5	Audit Recommendations Applicable to All Utilities	5	5	Each utility should ensure an employee, other than the metric preparer, is responsible for reviewing the accuracy and completeness of electric reliability metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the electric reliability metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
Chapter 2		**Comparison Chapter**		
2-1	Reliability Data Collection and Analysis Process	1	2	Ensure procedures require a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made without the need to refer to a subject matter expert.
2-2	Reliability Data Collection and Analysis Process	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
2-3	Audits of Reliability Data and Process	1	2	The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.
2-4	Data Review Levels	1	3	O&R should consider adding an arm-length additional data accuracy review, possibly at the Control Center level.
2-5	Data Trace Analysis	1	4	Ensure that personnel who are charged with collecting, validating, and analyzing outage data are trained to thoroughly document the outages and any changes to the incident record during the collection or validation process.
2-6	Utility Suggested Metrics	1	7	All six electric utilities should consider requesting the NYSPSC to agree on eliminating district reporting requirements.
2-7	Utility Suggested Metrics	2	7	All six electric utilities should consider requesting the NYSPSC to include SAIDI as a more meaningful outage duration metric for the six utilities.
2-8	Utility Suggested Metrics	3	7	All six electric utilities should evaluate if the 2.5 β method would be of value to them in managing major event and storm exclusions in comparison to the NYSPSC exclusion criteria. If it appears valuable, each utility should consider requesting the NYSPSC to consider adopting the IEEE 2.5 β method for event exclusions.
2-9	Training	1	7	Ensure that training programs, especially for operations and call center staff, include emphasis on providing a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made to reliability data records in various related systems, without the need to refer to a subject matter expert.
2-10	RPM Performance	1	8	As noted earlier in the section titled Utility Suggested Metrics, consider providing expanded heat and weather anomaly exclusions to avoid penalties for events outside the norm.

Gas Safety				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-1	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	1	6	Overland recommends the NYSPSC Staff host a workshop for the New York utilities where the utilities and Staff can come to a consensus on how the gas safety metrics are to be calculated and what they should measure. It has been over 10 years since the Staff last held a collaborative session with the utilities to address the content and calculation of gas safety metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing gas safety data and calculating metrics that can be utilized by all nine utilities. For example, one item that should be addressed in this workshop is whether it is appropriate for companies to group leaks in close proximity to each other when reporting leak backlog performance metrics. Once a decision has been made regarding this and other comparability matters, updated guidance should be provided to all utilities. This would improve the comparability of the Annual Performance Measures report and allow it to be a more useful benchmarking tool.
1-2	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	2	6	The New York utilities and the NYSPSC should develop a formal protocol to address questions regarding the calculation of gas safety data. During the audit we identified several instances where the methodologies that the New York utilities used to derive their gas safety statistics varied among the different utilities. In some cases, this is because the utilities did not strictly adhere to guidance provided by the NYSPSC. In other cases, the differences were due to circumstances not explicitly addressed in NYSPSC guidance. It is clearly not possible for the NYSPSC to provide explicit guidance regarding every possible scenario. As such, the NYSPSC, in conjunction with the New York utilities, should develop a formal protocol to address questions regarding the calculation of gas safety data. Key elements of these procedures include the following: • The New York utilities should be expected to address any questions regarding the NYSPSC Staff's intent regarding the gas metrics through this formal process. Stated another way, rather than speculate what it believes the NYSPSC Staff's position would be, each New York utility should use this formal process to resolve any areas of uncertainty regarding the calculation of the gas safety data. • Any inquiries made to NYSPSC Staff during this process should be made available to each utility. This will allow all New York utilities to benefit from this process, and it will also help ensure that all utilities are using the same methodology for calculating their metrics – a key component in ensuring comparability amongst utilities.
1-3	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	3	6	The NYSPSC should periodically review the gas safety metrics submitted to the Commission by the utilities. Once a standardized method of reporting the gas safety metrics has been established from the workshop mentioned in recommendation #1, then the Commission should review or audit the gas safety data periodically to determine if any industry changes or changes at the individual utilities warrant changing the gas safety metrics or methodology used to report the metrics to the Commission.
1-4	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	4	7	Each utility should periodically audit the internal controls, procedures, and gas safety metrics that are submitted to the Commission. The utilities should perform periodic internal audits of the gas safety metrics, with scope and objectives similar to this audit at least once every five years.
1-5	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	5	7	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting gas safety data to the NYSPSC. The manual should describe the source of the gas safety data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the data is calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.
1-6	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	6	7	In conjunction with NYSPSC Staff, each New York utility should develop a definition for what constitutes "leak-prone" materials for purposes of its infrastructure replacement program. During the audit, we found that the criteria regarding materials that could be categorized as "leak-prone" for purposes of the New York utilities' infrastructure replacement program varied amongst the different utilities. In some cases, the materials were defined in the utilities' individual rate orders. In other cases, utilities developed their own definition of what materials could be categorized as "leak-prone." Each utility should have clear, written guidance regarding the criteria it uses to classify material as "leak-prone." This written guidance should be provided to NYSPSC Staff when the utility submits the results of its performance for the infrastructure replacement program.
1-7	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	7	7	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of gas safety metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the gas safety metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
1-8	Recommended Additions to the Gas Safety Data Filing Requirements	1	7	Time duration graphs should be filed in conjunction with the utilities' submission of their emergency response metrics. We recommend that each utility provide the NYSPSC with a graphical depiction of its emergency response time duration distribution. This graph should be populated with the data that was used to calculate the Company's emergency response performance metrics. Any unusual patterns in this graph should be explained in detail.

Gas Safety				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-9	Recommended Additions to the Gas Safety Data Filing Requirements	2	8	Damage prevention statistics should be enhanced to provide the NYSPSC greater clarity regarding the root causes of the damages. Damage statistics reported to the NYSPSC are classified into one of four categories: Mismarks, Company and Company Contractors, Third Party Negligence, and No-Calls. While these categories are generally sufficient, requiring the utilities to provide a more detailed view would provide the NYSPSC with enhanced clarity regarding how to compare the utilities amongst their peers. Specifically, we would recommend dividing the "Mismarks" damage category into two subcomponents: "Mismarks Due to Mapping Error" and "Mismarks Due to Locator Error." All utilities maintain this information for internal reporting purposes, so it will require little if any incremental reporting effort on behalf of the utilities. This additional information will allow NYSPSC Staff to more easily identify the causes of mismarks. The "Company and Company Contractors" damage category should also be split into two subcomponents: "Company and Company Contractors Damages Caused by Gas Utility Excavation" and "Company and Company Contractor Damages Caused by Electric Utility Excavation." As stated previously, the Company and Company Contractors Damages are biased against combination utilities because damage to the utility's infrastructure caused by the electric utility's excavation is included in this metric. Separating the Company and Company Contractors damage category as discussed above will allow the NYSPSC to compare the performance of combination utilities and gas-only utilities in a more equitable manner.
1-10	Recommended Additions to the Gas Safety Data Filing Requirements	3	8	Each utility should be required to file a letter with the NYSPSC that explicitly and directly provides a comparison of the utility's performance with its minimum performance standards set forth in the utility's individual rate plan. During our audit, we found instances in which a utility's performance with regard to its infrastructure replacement requirements was not directly provided to the NYSPSC. To avoid this issue in the future, each utility should be required to file a letter that provides a direct and explicit comparison of the utility's minimum standards (as ordered in the utility's most recent rate case) versus its actual performance (as calculated by the utility).
Chapter 2		**Comparison Chapter**		
2-1	Damage Prevention	1	3	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include coating damages in their reported damage prevention performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-2	Damage Prevention	2	3	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for unreported damages discovered in the current year. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-3	Damage Prevention	3	3	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for damages to gas facilities in the process of being replaced. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-4	Damage Prevention	4	3	The utilities and the NYSPSC should either – 1) confirm that the classification of damages attributed to work done on behalf of the local electric utility is intended to be different between combination utilities and gas-only utilities; if this is the case, that fact should be disclosed in the Gas Safety Performance Measures Report, or 2) agree to always include damages attributed to work done on behalf of the electric utility to damages due to excavator error. In that latter case, to the extent that any gas-only utility company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-5	Damage Prevention	5	3	Each company should submit to the NYSPSC a detailed description of the types of activity it includes or excludes from its one-call ticket counts used in the computation of damage prevention performance metrics. For companies that use more than one one-call system, this exercise should be performed for both systems. Using these descriptions as a guide, the utilities and the NYSPSC should agree on the inclusion or exclusion of each different type of one-call system activity for purposes of computing performance metrics. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-6	Emergency Response	1	10	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and exclude emergency calls made by operator-qualified personnel during normal business hours from their reported emergency response performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.

Gas Safety				
Chapter 2		**Comparison Chapter**		
Index	Section Title	Rec #	Page #	Recommendation
2-7	Emergency Response	2	10	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include emergency calls in their reported emergency response performance metrics involving an initial report of a gas-related or unidentified odor and subsequently determined to be something other than natural gas. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-8	Emergency Response	3	11	Companies should include emergency calls in their reported emergency response performance metrics involving an initial report of carbon monoxide and subsequently determined to be something else. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-9	Leak Management	1	15	The utilities and NYSPSC should conduct a workshop that includes a thorough discussion with the purpose of determining the cause of the wide variation in total leak backlogs reported by various New York utilities to the NYSPSC. Differences in compiling the leak backlog data should be identified, and an agreement should be reached on how the data should be quantified by all utilities on a prospective basis. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-10	Leak Management	2	15	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to the grouping of leaks for purposes of reporting them in leak management performance metrics (e.g., year-end leak backlogs). This agreement should address both the grouping of leaks in close proximity to each other and leaks that are "duped" with existing unrepaired leaks. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
Customer Service				
Chapter 1		**Executive Summary**		
1-1	Audit Recommendations Applicable to All Utilities	1	10	We recommend the NYSDPS Staff host a workshop for the New York utilities to enable the utilities and the Staff to reach a consensus on how customer service metrics should be calculated and what they should measure. It has been 20 years since the Staff last held a collaborative session with the utilities that produced written guidance addressing the content and calculation of customer service metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing customer service data and calculating metrics that can be utilized by all nine utilities. This would improve the comparability of the PI Report and allow it to be a more useful benchmarking tool
1-2	Audit Recommendations Applicable to All Utilities	2	10	The NYSPSC should approve changes to CSPI and PI calculation methods and procedures before they are implemented. As discussed above, we found two examples in which utilities changed the method they had been using to calculate customer service metrics as soon as they were established as CSPIs. In both examples, the historical baselines upon which minimum performance thresholds were established were made irrelevant by the change in calculation.
1-3	Audit Recommendations Applicable to All Utilities	3	10	The NYSPSC should periodically audit the customer service metrics that are submitted to the Commission by the nine New York utilities. Once a standardized method of reporting the customer service metrics has been established from the workshop mentioned in recommendation #1, we recommend the Commission review or audit the customer metrics data periodically (at least once every 10 years) to determine whether industry changes or changes at the individual utilities warrant
1-4	Audit Recommendations Applicable to All Utilities	4	10	Each utility should periodically audit the internal controls, procedures and customer service metrics that are submitted to the Commission in the PI and CSPI Reports. The utilities should perform periodic internal audits of PI and CSPI metrics, with scope and objectives similar to this audit. We believe five years is a reasonable time period between such audits.
1-5	Audit Recommendations Applicable to All Utilities	5	10	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting customer service data to the NYSPSC. The manual should describe the source of the customer service data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the metric are calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.

Customer Service				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-6	Audit Recommendations Applicable to All Utilities	6	11	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of customer service metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the customer service metric data that is submitted to the NYSPSC through the PI and CSPI Reports. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
1-7	Recommended Additions to PI Reports	1	11	The PI Report should include the rate of appointments missed as PI metric 1c. We recommend calculating the rate of appointments missed by dividing appointments made (metric 1a) minus appointments kept (metric 1b) by appointments made. Adding the rate of appointments missed will provide a benchmark for comparing customer appointments performance among utilities of varying size. Adding a rate for appointments missed is better than adding a rate for appointments kept because "kept" rates tend to approach 100%. For example, comparing 98% and 99% "kept" rates is less meaningful than comparing a 1% "missed" rate with one that is double, at 2%.
1-8	Recommended Additions to PI Reports	2	11	The PI Report should include the rate of adjusted bills as PI metric 2c. The adjusted bills rate is calculated by dividing adjusted bills (metric 2b) by total bills issued (metric 2a). As with the appointments missed rate recommended above, adding the rate of adjusted bills to PI Reports will make it easier and more meaningful to compare adjusted bills data among reporting utilities of varying size. It should be noted that in order for the adjusted bill rate to be comparable among the utilities, it will be necessary for all of the utilities to calculate total bills and adjusted bills on an equivalent basis, as discussed and recommended in Chapter 2.
1-9	Recommended Additions to PI Reports	3	11	The PI Report should include the rate of estimated meters as PI metric 5c. To add context and enhance comparability among the utilities, we recommended adding the meter estimation rate to PI Reports. It should be calculated as total estimated meters (metric 5b) divided by total meters scheduled to be read (metric 5a).
1-10	Recommended Additions to PI Reports	4	11	The PI Report should include the percentage penetration of automated meters as PI metric 5d. All of the nine audited utilities except for National Fuel have implemented automated meter reading technology to varying degrees. The single most important contributor to a utility's "estimated read" rate is the lack of access to meters, either because they are indoors or otherwise inaccessible. Automated reading technology, which transmits actual reads via radio signal, largely mitigates the problem of estimates caused by a lack of meter access. As such, variances in the extent to which different utilities have automated meter reading helps explain differences in meter estimation rates. We found all of the utilities with automated read technology maintained statistics on its penetration within their service territories. To add context to estimated read metrics in PI Report category 5, we recommend adding automated read penetration (as a percentage of total meters) to PI Reports as metric 5d.
1-11	Recommended Additions to PI Reports	5	12	In addition to the rate of customer complaints to the PSC, PI metric category 6 should also include the inputs to the complaint rate calculation; specifically, the number of customers as of December 31 of the prior year and the number of SRS complaints added during the reporting month. We recommend the inputs to the rate of customer complaints be added as PI metrics 6b and 6c. In addition to providing the data used in the calculation of the reported customer complaint rate, reporting the number of customers as of the end of the prior year will provide a basis for assessing the reasonableness of other measures of utility size on the PI Report, including the number of bills issued and the number of meters scheduled for reading.
1-12	Recommended Additions to PI Reports	6	12	The PI Report should display the consumer complaint rate (PI metric 6a) with two significant digits. To improve the detail shown in the PI Report and the comparison among utilities, the PI Report should show one additional significant digit (e.g. 0.24) than the one significant digit it currently shows (e.g. 0.2).

Customer Service				
Chapter 2		**Comparison Chapter**		
Index	Section Title	Rec #	Page #	Recommendation
2-1	Internal Controls	1	2	Because customer service metrics and their supporting documentation are subject to regulatory review, the utilities should be required to maintain for at least 10 years (in electronic format) all supporting documentation, including source system data, for metrics submitted in PI and CSPI reports.
2-2	Internal Controls	2	3	Each utility should create a comprehensive procedures manual that governs how customer service metrics will be compiled and reported to the NYSPSC. This manual should be updated at least annually and as necessary to account for changes. It should contain the following: • Definitions of the components of each metric (for example, what work orders are included in the non-emergency service response metrics). • The information systems that are the direct sources for the data for each metric. • The electronic and manual processes for obtaining the components of each metric. • The process for calculating the components to yield the metric that is to be reported to the NYSPSC. • The process for transferring the data and any calculations from the information system to the Excel spreadsheets used to track the performance indicators and ultimately to the PI report. • The process of reviewing the data that is to be sent to the NYSPSC. • The personnel responsible for gathering the source data, calculating and manipulating the data, preparing the internal customer service metric spreadsheets, reviewing the internal customer service metric spreadsheets, and sending the metrics to the NYSPSC. The procedures manual should be updated on at least an annual basis and also as necessary. As it prepares the procedures manual, each utility should conduct an analysis to ensure that it understands what its metrics contain and how they are calculated.
2-3	Internal Controls	3	3	Among the procedures that should be implemented and documented in the manual recommended above is a requirement that all PI and CSPI reports, and all manually prepared supporting spreadsheets be checked for mathematical accuracy and reasonableness by someone other than the data preparer before reports are filed with the NYSPSC. The reviewer should sign off on their review attesting to having checked the reports for accuracy. We believe this will significantly reduce the likelihood of math and number transposition errors in the metrics reported to the NYSPSC.
2-4	Internal Controls	4	3	The internal audit department at each utility should conduct an audit or review of the customer service performance metrics that are reported to the NYSPSC through the PI and CSPI reports approximately every five years. The objectives of an internal audit of a utility's customer service performance measures should closely mirror the objectives of the NYSPSC audit Overland performed.
2-5	Appointments	1	4	We recommend appointments "made" and "kept" that are tracked for purposes of reporting to the NYSPSC include all customer meter and appliance work that requires the utility to meet the customer at the premises for access or other purposes. Appointments metrics should exclude customer meter work that does not require meeting the customer at the premises. For example, for jobs such as special (off-cycle) meter reads, a customer appointment should be counted when it is necessary to meet the customer to gain access, and it should be excluded from the appointments count when the reading can be completed without meeting the customer, for example, when the meter is outside and accessible.
2-6	Appointments	2	4	In addition to customer meter work, the utilities' electric and gas operations departments make appointments with customers to install and relocate service lines, and perform other work involving construction of facilities. Several of the utilities currently track subsets of customer-requested work performed by their operations departments. We recommend the NYPSC and the utilities determine whether the definition of an appointment should include appointments involving work performed by the operations departments. In evaluating whether to add such appointments to those in the category of meter and appliance work, consideration should be given to the following: • The processes through which appointments with operations departments are made are usually different than those for meter and appliance appointments. • The information systems and record-keeping procedures can be different from the systems and record-keeping for customer meter and appliance work. • Operations department appointments involving installation or relocation of facilities often require more complex and multiple customer contacts. In some cases, the utilities make appointments with contractors rather than with the utility customer that owns the property at which the facilities are installed.

Customer Service				
Chapter 2		Comparison Chapter		
Index	Section Title	Rec #	Page #	Recommendation
2-7	Appointments	3	5	To make the number of appointments kept (metric 1b) comparable across the utilities, the NYSPSC should require a uniform classification of "kept" or "missed" for each of the following scenarios and any other scenarios that are consistently encountered by all of the utilities: a. The customer was unavailable at the premise at the time the utility arrived, within the scheduled appointment window. b. The customer was unavailable at the premise at the time the utility arrived, before the scheduled appointment window. c. The customer was unavailable at the premises at the time the utility arrived, after the scheduled appointment window. d. The customer was available at the premises at the time the utility arrived, before the scheduled appointment window. e. The customer was available at the premises at the time the utility arrived, after the scheduled appointment window. f. The utility was unable to meet the customer at the premises, but the appointment was rescheduled for a different time or date.
2-8	Appointments	4	5	Any deviations from the uniform set of rules for appointments set by the NYSPSC due to limitations imposed by an individual utility's available technology, organization, or procedures should be documented in a footnote to the utility's PI Report.
2-9	Adjusted Bills	1	11	Total bills issued (PI metric 2a) should be quantified based on the total number of bills produced in the utility's customer information system and sent to customers within a given billing cycle. The metric should not be based on counts of meters, services (gas and electric) or customers. Total bills issued should include both paper and electronic bills sent to customers, and should include second bills (adjusted bills) sent within the same cycle. Bills for electric and gas service sent to the same customer at the same address should be counted as one bill, not two.
2-10	Adjusted Bills	2	11	Total bills adjusted (PI metric 2b) should be based on adjusted bills that are sent to customers within the current billing cycle (bills), not on the bills from prior cycles that were corrected by the adjustment. Although the NYSDPS Staff and the utilities may wish to discuss it, Overland believes that adjustments reflected on the next regular cycle bill (i.e., adjustments that do not produce a rebilling within the current cycle bill) should not be counted in metric 2b.
2-11	Adjusted Bills	3	11	Due to the subjectivity inherent in assigning the cause of adjustments between the utility and the customer, and the limited ability of utility bill coding processes to assign adjustment "cause" based on adjustment "type," the utilities should not be permitted to differentiate between "company caused" and "customer caused" billing adjustments when deciding whether to count the adjustment in PI metric 2b. All adjustments that result in a rebilling – a second bill being sent to a given customer within the same billing cycle - should be counted as an adjusted bill in the performance indicator. The NYSDPS Staff and the utilities should recognize that, for each utility, a somewhat indeterminate portion of total adjusted bills attributable to customers cannot be managed as easily as those that can be attributed to the utility.
2-12	Non-Emergency Service Response	1	18	The utilities should count all routine, customer-requested and customer-notified non-emergency service orders in PI metric 4a, service/meter orders. Orders counted in the metric should not be limited to arbitrary subsets of services requests chosen based on type.
2-13	Non-Emergency Service Response	2	18	The utilities and the NYSPSC should agree upon whether NESR metric 4a, service/meter orders, should include more extensive customer work usually performed by utility gas and electric operations departments, such as the installation or relocation of a gas service line. It should be noted that such work can involve multiple appointments and visits by the utility to a customer's premises. To the extent such orders are included in the PI Report metric, we recommend they be tracked separately from more routine service requests measured in PI metric 4a.
2-14	Non-Emergency Service Response	3	18	The utilities and the NYSPSC should agree on the events that begin and end the count of days associated with NESR orders. We recommend the "days clock" begin on the date the customer, his agent, a municipality or other third party either requests service or notifies the utility of a facility in need of possible service. We recommend the "days clock" end on the date service work is completed in the field.
2-15	Non-Emergency Service Response	4	18	In counting the number of days to complete NESR orders, the utilities should all count either calendar days or "work days." If "work days" are used, a standard definition should be developed which defines how Saturdays are treated (some utilities fulfill customer appointments on Saturdays) and which days are not counted because they are holidays. A majority of the utilities already use calendar days and there is no significant debate about how to count calendar days. As such, we recommend that the days count for NESR metrics 4b, 4e and 4h be based on calendar days.

Customer Service				
Chapter 2		**Comparison Chapter**		
Index	Section Title	Rec #	Page #	Recommendation
2-16	Non-Emergency Service Response	5	19	The utilities and the NYSPSC should agree on a standard method for calculating the duration between the events that begin and end the days counted associated with NESR orders. For example, all of the utilities should count the same number of days when a service request is taken on a Tuesday and completed on a Wednesday. Back in 1995, the NYSDPS workshop on PI metrics recommended that "work completed on the same calendar day is considered completed in one day and work completed the next calendar day is counted as completed in two days, etc."
2-17	Non-Emergency Service Response	6	19	The utilities and the NYSPSC should agree on whether or not to count NESR orders initiated by the utilities themselves, rather than by customers, municipalities and other third parties. If the purpose of the NESR metrics is to measure responsiveness to customer requests for routine, non-emergency service, we recommend that utility-initiated orders be identified and excluded from the metrics.
2-18	Non-Emergency Service Response	7	19	We recommend all utilities maintain source-system data for all NESR orders, including the type of order, the date created and the date completed in support of the NESR metrics reported to the NYSPSC. This is particularly important given that utilities were not always able to explain large variations NESR order data from one period to the next and were sometimes not able to provide any support for the orders included in the metrics reported to the NYSPSC.
2-19	Estimated Meters	1	23	Total estimated meters (metric 5b) should exclude on-cycle customer reads. On-cycle customer reads prevent the billing system from calculating an estimated bill, and should therefore be subtracted from the total number of meters not read by company Meter Readers in calculating total estimated meters.
2-20	Estimated Meters	2	23	The utilities should all archive and maintain source data from meter reading information systems (e.g., Itron FCS) as support for the data reported in PI Report metrics 5a and 5b. Source system support should also be maintained for data is derived from customer information systems, such as to support customer reads accounted for in calculating total estimated meters. Manually prepared spreadsheets alone do not constitute source document support for metrics reported in other manually prepared spreadsheets.
2-21	Customer Complaints to the NYSPSC	1	25	The customer count reported to the NYSPSC for the purpose of calculating the customer complaint rate for a given calendar year should be the customer total as of December 31 of the prior year. We recommend all utilities measure customers as of this date for purposes of reporting to the NYSPSC on PI Reports and for use in the NYSPSC's monthly reports on consumer complaint activity.
2-22	Customer Complaints to the NYSPSC	2	25	The utilities and the NYSPSC should agree on one method of counting customers. We recommend a count that matches, as closely as possible, the population of consumers who may register complaints with the NYSPSC. The count, we believe, that best meets this criterion is active customer accounts (including both residential and non-residential accounts), plus, when applicable, sub-metered non-account users. Inactive accounts (representing vacant customer premises) should probably be excluded from the count. The count should be based on accounts, not on customer bills. Whatever methodology is determined to be acceptable by the NYSPSC should be used by all of the nine utilities.
2-23	Customer Satisfaction Surveys	1	27	For the utilities using vendors to perform customer satisfaction surveys, we recommend the vendor and utility develop a Statement of Work for review by the NYSPSC that documents survey procedures in detail, including the following: • Deliverables to be produced, • Frequency and number of surveys to be completed, • Methods used to select customers, • How the surveys are conducted, • How results data is processed and managed, • Any authorization or requirement to exclude completed or partially-completed survey responses from the results provided to the utility as well as the rules and protocols for excluding the responses.

Consolidated Edison Company				
Chapter 3		**Electric Reliability**		
Index	Section Title	Rec #	Page #	Recommendation
3-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
3-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
3-3	Other Reliability- Related Metrics Used	1	29	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 3		**Gas Safety**		
3-1	Internal Controls	1	2	Con Edison should program its systems to measure its emergency response times to the second, and the reporting of emergency response time metrics should be calculated in compliance with NYSPSC intent.
3-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
3-3	Internal Controls	3	2	Con Edison should assign a person or persons the responsibility of compiling the data used in the company's gas safety performance metrics and of reviewing it for completeness and accuracy. Ideally, these duties should be separated so that no one person is both preparing and reviewing his or her own work.
3-4	Internal Controls	4	2	We recommend Con Edison include an audit of the gas safety performance metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
3-5	Damage Prevention	1	11	Con Edison should develop a robust set of root causes that can be assigned to all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.
3-6	Damage Prevention	2	11	Damage incident documentation should clearly indicate why reimbursement of damages caused by third parties is not being pursued.
3-7	Emergency Response	1	24	Con Edison should reevaluate its procedures for identifying emergencies reported by operator-qualified personnel so that they are properly excluded from future performance metrics.
3-8	Leak Management	1	33	Con Edison should define what constitutes a leak and include it in a prominent location in its written procedures.
3-9	Leak Management	2	33	Con Edison should maintain a detailed listing by leak of the workable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
3-10	Leak Management	3	33	Con Edison should implement its present plans to revise the methodology it uses to identify leaks to be included in its workable and total leak backlogs so that errors do not occur in the future. The company discovered omissions when preparing a roll-forward of the leak backlog by leak classification. At a minimum, that same procedure should be used as a check and balance of future preliminary results.
3-11	Infrastructure Replacement	1	41	Con Edison should maintain a detailed listing of leak-prone mains replaced during the year in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for cast iron and wrought iron main replaced. At a minimum, these detailed listings should specify the date the work was completed, the footage/mileage of main replaced, the composition of the main replaced, and any unique identifier associated with the main replacement.
3-12	Infrastructure Replacement	2	41	Con Edison should take the necessary steps to verify that all infrastructure replacement footages reported to the NYSPSC are supported by ECS input and other documentation completed in the field and that they qualify for inclusion in the metrics (e.g., main should be made of cast iron, wrought iron, or pre-1972-installed-unprotected steel).
3-13	Infrastructure Replacement	3	41	To the extent that Con Edison has multi-year infrastructure replacement requirements in the future, the company should make note of any updates it makes to prior year leak-prone pipe mileage in its annual filings with the Commission. The updated prior year quantities and the current year quantity should support the 3-year cumulative totals, and if they do not, a detailed explanation should be provided.
3-14	Other Filed Information	1	46	Con Edison should develop written, formal procedures detailing the compilation of the annual report filed with the USDOT and the NYSPSC. At a minimum, it should identify the major categories of data disclosed (e.g., inventory of mains and services, leak information, damage information, etc.) along with the department(s) responsible for providing this information and the underlying systems relied upon.

Consolidated Edison Company				
Chapter 3		**Gas Safety**		
Index	Section Title	Rec #	Page #	Recommendation
3-15	Other Filed Information	2	47	Con Edison should update Specification G-11843-5 to correct any errors (e.g., quarterly vs. monthly reporting as required by 16 NYCRR Part 255.825).
3-16	Benchmarking and Other Gas Safety Performance Metrics	1	51	Con Edison should document all relevant information discussed in future benchmarking sessions with both internal and external parties as it relates to gas safety. Agendas, hand-outs, reports, etc., should be collected and included with this documentation. Con Edison should designate a responsible party for maintaining this information.
Chapter 3		**Customer Service**		
3-1	Internal Controls	1	3	Con Edison should develop a complete written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics submitted to Staff and/or the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
3-2	Internal Controls	2	3	Con Edison should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics submitted to Staff or filed with the NYSPSC.
3-3	Internal Controls	3	3	Con Edison should document in its procedure the responsibility for someone other than the information preparers to check the completeness and accuracy of all customer service metrics before they are submitted to Staff or filed with the NYSPSC. As noted above, Con Edison states that it assigned this responsibility to two employees in February 2014.
3-4	Internal Controls	4	3	We recommend Con Edison include an audit of the customer service metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
3-5	Appointments	1	10	Con Edison should quantify and include in its PI Report appointments for all customer-driven work requiring employees to meet customers at their premises, rather than limiting reported appointments only to those for meter readings.
3-6	Appointments	2	10	Con Edison should include all scheduled customer appointments, whether completed or not completed, in PI Report metric 1a, appointments made.
3-7	Appointments	3	10	Con Edison should exclude from metric 1b, appointments kept, appointments in which the job is completed but utility arrival at the customer's premises is late (occurs after the scheduled appointment window).
3-8	Appointments	4	10	The question of whether canceled appointments and appointments in which jobs cannot be completed should be included or excluded from PI Report metrics (depending on whom the Company deems to have caused the incompletion), should be evaluated by the NYSPSC and applied on a uniform basis to all New York utilities. To the extent any utilities lack the ability or technology to objectively and accurately assign the cause of an incomplete appointment between themselves and customers, the NYSPSC should consider requiring all incomplete appointments to be included in metric 1a, appointments made, and excluded from metric 1b, appointments kept.
3-9	Appointments	5	10	Con Edison should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source in the work management system to the PI Report. • The specific logic used to classify appointments as "kept" or "not kept," including information on available appointment windows, how early and late arrivals and the availability of the customers on premises affects the classification, and procedures followed by employees in the field, including data entry, and how this affects the classification as "kept" or "not kept." • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
3-10	Adjusted Bills	1	17	For consistency with other New York utilities reporting billing performance indicators, and to permit the calculation of an accurate adjusted bill rate, Con Edison's PI metric 2a should report total bills issued, including adjusted bills, instead of reporting combined electric and gas meters. Because many accounts have electric as well as gas meters, a count of electric and gas meters significantly overstates the number of bills and artificially lowers the adjusted bill rate.
3-11	Adjusted Bills	2	18	Over a million of Con Edison's customers have both electric and gas service. In addition to counting "bills" instead of "meters," Con Edison should count bills issued to customers who have both electric and gas service as a single bill, not two bills.
3-12	Adjusted Bills	3	18	The quantities of bills issued in the months of February through December of each calendar year should be based on a count for that particular month, not a count from January.

Consolidated Edison Company				
Chapter 3		**Customer Service**		
Index	Section Title	Rec #	Page #	Recommendation
3-13	Adjusted Bills	4	18	To enhance consistency among utilities and to facilitate the computation of an accurate adjusted bill rate, Con Edison's PI Report metric 2b should include all adjusted bills. Unless PI metric 2b is properly defined as "the subset of total adjusted bills which have been definitively determined to have been caused by the company's error," there is no basis for removing adjusted bills from the count reflected in PI metric 2b.
3-14	Adjusted Bills	5	18	Con Edison should identify and include in PI metric 2b adjusted bills due to the replacement of estimated usage with an actual meter reading, if such replacement causes a second bill to be sent within the billing cycle to correctly reflect customer usage.
3-15	Adjusted Bills	6	18	Con Edison stated that it was developing the capability to produce account-level support for adjusted bill counts that could not be produced for adjusted bills reported during the review period. Once this capability is developed, Con Edison should archive the account-level detail reports that support the adjusted bill quantities it reports to the NYSPSC.
3-16	Adjusted Bills	7	18	Con Edison should document the following information about PI-reported adjusted bill metrics in writing, as part of a company procedure covering the metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills (cancel/rebills) and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills (cancel/rebills) and how they are identified and classified in the CSS system. • Employee responsibilities identifying bills for adjustment, calculating adjustments, classifying adjustments by reason, and for compiling, reviewing and quantifying the data in the PI Report.
3-17	Telephone Answer Response	1	26	Con Edison should provide an explanation that reconciles the percentage of CSR-requested calls answered within 30 seconds reported for 2013 (60.7%) with a potentially inconsistent average call hold time for 2013 (169 seconds).
3-18	Telephone Answer Response	2	26	Con Edison should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of call answered by a representative within 30 seconds.
3-19	Non-Emergency Service Response	1	32	Con Edison should quantify and report NESR metrics for all customer-requested "service/meter" work requiring the response of service technicians on a non-emergency basis. In addition to gas trouble orders currently reported, the additional orders that should be reported include customer-requested meter work, as well as all customer-driven non-emergency electric work, none of which is currently reported.
3-20	Non-Emergency Service Response	2	32	Con Edison should quantify and report NESR metrics for all work relating to street lights. Currently Con Edison does not report street light metrics 4d, 4e, or 4f on its monthly PI reports. The "days clock" for metric 4h, total days to complete street light orders, should be based on the same "creation" and "repair completion" dates uses to report Con Edison's street light reliability performance metric (RPM).
3-21	Non-Emergency Service Response	3	32	In all categories of NESR work, for the purpose of reporting the "total" and "average" days to complete NESR orders, Con Edison should quantify and report the time between the customer's initial contact and the time the order is completed, instead of starting to measure time when orders are prepared for field assignment. Currently, Con Edison measures only the time between order field assignment and completion in the field. The Company acknowledged that it has the capability to measure the number of days for the entire service cycle from customer request to order completion.
3-22	Non-Emergency Service Response	4	33	Con Edison should count "total days" for metrics 4b, 4e and 4h (total days for service/meter orders, street light orders and tree trimming orders) from the day of customer inquiry of request that generates either investigation or field work.

Consolidated Edison Company				
Chapter 3		**Customer Service**		
Index	Section Title	Rec #	Page #	Recommendation
3-23	Non-Emergency Service Response	5	33	Con Edison should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that electric and gas meter reading and distribution services departments perform in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used with a new Work Management System, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field). • A complete description of all processes, organizational responsibilities and information systems involved in completing NESR work, from the point at which customer requests are received, to the point at which PI metrics are prepared for submission to the NYSPSC.
3-24	Estimated Meter Readings	1	43	Customer meter reads used to generate regular on-cycle bills should be subtracted when calculating PI metric 5b, estimated meters. Currently, such meters are counted as estimated in metric 5b, when in fact, they are not estimated.
3-25	Estimated Meter Readings	2	43	Con Edison should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 3a and 3b.
3-26	Customer Complaints to the NYSPSC	1	48	Con Edison and the NYSPSC Staff should determine whether it is reasonable to use a customer count that includes an approximate 12% addition for sub-metered "non-account users" who are not customers of Con Edison, but who pay landlords and other third parties for their power and heat. Should the NYSPSC and Con Edison determine it is reasonable to include sub-metered users, for consistency purposes the NYSPSC should consider whether all utilities should identify and include sub-metered users in their customer counts.
3-27	Customer Complaints to the NYSPSC	2	49	For consistency with other utilities, Con Edison should provide the NYSPSC with a customer count (for NYSPSC's use in calculating its monthly customer complaint rate) dated as of December 31 of the prior year. In 2013, Con Edison supplied a customer count as of January 30, 2013, rather than December 31, 2012, and the Company could not provide a date for the customer count reported to the NYSPSC in 2012. Con Edison should use the same customer count reported to the NYSPSC in calculating the complaint rate for PI reporting during the same calendar year period. To the extent a rate year used for annual CSPI reporting is other than the calendar year, the NYSPSC and the Company should agree upon the "as of" date for customers used in calculating the rate.
3-28	Customer Complaints to the NYSPSC	3	49	Data from queries of the CSS system used to derive the customer counts used to calculate customer complaint rates should by archived and maintained as supporting data. Because this was not done during the review period, Con Edison was unable to verify the date of the customer counts used to calculate complaint rates in 2012.
3-29	Customer Complaints to the NYSPSC	4	49	Changes in the status of SRS or QRS complaints that affect the complaint counts used to report the CSPI metric should also be reflected in updated PI reports. At a monthly level, PI and CSPI-reported complaint rates should match if they are based on the same customer count.

Consolidated Edison Company				
Chapter 3		**Customer Service**		
Index	Section Title	Rec #	Page #	Recommendation
3-30	Customer Complaints to the NYSPSC	5	49	Con Edison should document the following information about the calculation of its customer complaint rate in writing, as part of a written company procedure covering performance indicator metrics: • A description of customer complaint procedures, including organizational and employee responsibilities connected with handling complaints and interaction and coordination with the NYSPSC. • A description of the information systems, supporting data, and databases involved in maintaining complaint information and managing complaints. • A description of the process of collecting data for the calculation of the complaint rate, including a description of the data sources supporting SRS complaints and customer counts used in the rate calculation, and including employee responsibilities for calculating, reviewing, and adding the metric to PI and CSPI reports.
3-31	Customer Satisfaction	1	58	Con Edison should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor CRA. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced, including the frequency and number of surveys to be completed, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to Con Edison, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
3-32	Customer Satisfaction	2	58	As discussed above in audit findings, showing composite survey scores next to "completed" survey interview quantities that include interviews not included in the composite scores may be misleading. We recommend that the "number of interviews" shown next to composite survey scores be limited to the number included in the calculation of the composite score. Alternatively, the "number of interviews" shown in the parenthetical should be footnoted, with the footnote disclosing the breakdown of total interviews conducted between those included in and excluded from the composite score.
3-33	Customer Satisfaction	3	58	Con Edison should review the process of coding and culling records from the Emergency Control System and make changes, as necessary, to provide survey vendor CRA with customer record files that accurately and consistently reflect the intended definition for electric and gas emergency callers. This may require changes in the codes used in the ECS to better target emergencies, as well as changes in the process of culling the files.

Orange and Rockland Utility				
Chapter 4		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
4-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
4-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
4-3	Internal Control over Systems and Processes	3	2	**See Electric Reliability Comparison Chapter Rec 2-4*
Chapter 4		**Gas Safety**		
4-1	Internal Controls	1	2	O&R should program its systems to measure its emergency response times to the nearest second, and the reporting of emergency response time metrics should be calculated in compliance with NYSPSC intent.
4-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
4-3	Internal Controls	3	2	O&R should assign a person or persons the responsibility of compiling the data used in the Company's gas safety performance metrics and of reviewing it for completeness and accuracy. Ideally, these duties should be separated so that no one person is both preparing and reviewing his or her own work.
4-4	Internal Controls	4	2	We recommend O&R include an audit of the gas safety performance metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
4-5	Damage Prevention	1	9	O&R should develop a robust set of root causes for all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.

Orange and Rockland Utility				
Chapter 4		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
4-6	Damage Prevention	2	10	O&R should take steps to ensure that all damages to pipe coating are included in future damage prevention metrics reported to the Commission. At a minimum, this should include a thorough review of data from the Work Management System.
4-7	Damage Prevention	3	10	O&R should take steps to ensure that one-call tickets from counties other than Orange and Rockland counties are excluded from future damage prevention metrics reported to the Commission.
4-8	Emergency Response	1	23	The TRB system should be programmed to capture not only the instances in which customer-reported times and/or arrival times are changed by the Distribution Supervisor but also the specific changes made. Absent this, it is not possible to determine the impact that manually-entered times have on the reported metrics.
4-9	Emergency Response	2	24	O&R should reevaluate its procedures for identifying emergencies occurring in other jurisdictions so that incidents arising in New Jersey and Pennsylvania are not included in the computation of New York emergency response performance metrics on a prospective basis.
4-10	Emergency Response	3	24	In light of the inclusion of 157 zero-response time calls in 2013 emergency response performance metrics, O&R should develop specific written procedures to identify and exclude such emergencies from performance metrics reported in the future.
4-11	Emergency Response	4	24	O&R should program its systems to exclude any emergencies in which the computed emergency response time duration is less than zero. To the extent this cannot be done, management review should be performed to identify and remove these incidents from inclusion in the calculation of performance metrics.
4-12	Leak Management	1	33	O&R should maintain a detailed listing by leak of the workable leak backlog as of year-end in electronic format that supports the quantities it reports to the State. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak. The classification assigned to each leak in this detailed listing should match what the Company used in reporting its leak backlogs to the NYSPSC.
4-13	Leak Management	2	33	O&R should maintain timely, unambiguous documentation supporting the classification of its leaks as prescribed by the State of New York.
4-14	Leak Management	3	33	O&R should proceed with its plan to run its system-generated leak backlog reports at midnight at the end of the day on December 31. This will provide a more precise measurement of actual leak backlogs than the historical cut-off that occurred in mid-afternoon on the last day of the calendar year.
4-15	Leak Management	4	33	O&R should take the necessary steps to ensure that all leaks are captured in the year-end leak backlogs (total and workable) and reported to the NYSPSC. This should include, but not be limited to, a thorough review of all leaks repaired after year-end to determine if they qualified for inclusion in the year-end leak backlogs.
4-16	Infrastructure Replacement	1	40	O&R should begin filing a letter with the NYSPSC that explicitly and directly provides the Company's performance regarding its infrastructure replacement program. The quantity of wrought iron main included in cast iron and total main replacements should be disclosed.
4-17	Infrastructure Replacement	2	40	O&R should maintain basic supporting data for its infrastructure replacement performance metrics in electronic format. The Company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future.
4-18	Infrastructure Replacement	3	40	O&R should reevaluate its procedures for identifying infrastructure replacements occurring in other jurisdictions so that projects located in Pennsylvania are not included in the computation of New York infrastructure replacement performance metrics on a prospective basis.
4-19	Infrastructure Replacement	4	40	O&R should take steps to ensure that it is reporting the latest, most accurate footages of qualifying main replacements to the NYSPSC. To the extent that O&R updates any preliminary data previously submitted to the NYSPSC, timely, amended filings of the performance metric should be sent to the NYSPSC and a thorough explanation for the change should be included with the filed amendment.
4-20	Other Filed Information	1	45	O&R should develop written, formal procedures detailing the compilation of annual reports filed with the USDOT and the NYSPSC. At a minimum, it should identify the major categories of data disclosed (e.g., inventory of mains and services, leak information, damage information, etc.) along with the department(s) responsible for providing this information and the underlying systems relied upon.
4-21	Other Filed Information	2	45	To ensure that O&R is reporting consistent and accurate figures to its regulators, the Company should compare the data that it reports to the USDOT Annual Report and the NYSPSC and ensure agreement. The Company should investigate any differences between these two reports prior to submitting them.
4-22	Other Filed Information	3	45	O&R should develop written, formal procedures detailing the logging and analysis of gas emergency reports as required by 16 NYCRR Part 255.825.
4-23	Other Filed Information	4	45	O&R should develop written, formal procedures detailing the reporting of unscheduled interruptions of service as required by 16 NYCRR 232.2.
4-24	Other Filed Information	5	45	O&R should report the approximate number of consumers affected by the interruption of service for each incident listed in its weekly reports filed with the NYSPSC as required by 16 NYCRR 232.2.

Orange and Rockland Utility				
Chapter 4		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
4-25	Benchmarking and Other Gas Safety Performance Metrics	1	50	O&R should develop a robust set of gas safety performance metrics exclusive of those reported to the NYSPSC. Participation in discussions of benchmarking and best practices with other utilities should be used as an opportunity to identify the most useful metrics.
Chapter 4		**Customer Service**		
4-1	Internal Controls	1	2	O&R should enhance its existing two-page written procedure so that it fully documents the regulatory basis, data compilation processes, source systems for data, calculation methods and assumptions and employee responsibilities associated with customer service metrics reported to the NYSPSC. The procedure should specifically indicate, for each metric, that the source data is based on New York operations and excludes data for operations in New Jersey and Pennsylvania. More specific information concerning what the procedure should contain for each metric category is included in the discussions below.
4-2	Internal Controls	2	2	O&R should implement a procedure to ensure that supporting data from the information systems that generate data are prepared and maintained for all categories of customer service metrics reported to the NYSPSC. Supporting data should be maintained electronically for the systems in which data originates (e.g. CIMS, WMS, and Itron FCS). A manually-prepared spreadsheet summarizing data compiled from these systems, by itself, does not constitute a sufficient audit trail. The original data itself should be saved and maintained as support for the metrics.
4-3	Internal Controls	3	3	O&R should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
4-4	Internal Controls	4	3	We recommend Consolidated Edison conduct an audit of O&R's customer service metrics reported to the NYSPSC on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
4-5	Appointments	1	8	O&R should ensure that its appointments performance indicators properly quantify appointments for all customer-driven work requiring employees to meet customers at their premises.
4-6	Appointments	2	9	O&R should exclude appointments data from states other than New York from the appointments "made" and "kept" quantities reported to the NYSPSC.
4-7	Appointments	3	9	O&R should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The specific types of work the Company performs that are customer-driven and involve scheduling an appointment to meet a customer at the premises, including associated job coding and the departments that perform the work. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source in the work management system to the PI Report. • Any manual procedures or computer logic applied to separate, within a specific type of job, jobs that are counted as customer appointments (because they require meeting customers at their premises) and those that are not (because they do not require the customer to be present in order to perform the work). • The specific logic used to classify appointments as "kept" or "not kept," including information on available appointment windows, how early and late arrivals and the availability of the customers on premises affects the classification, and procedures followed by employees in the field, including data entry, and how this affects the classification as "kept" or "not kept." • Employee responsibility (department and job title) assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
4-8	Adjusted Bills	1	16	To enhance consistency among utilities and to facilitate the computation of an accurate adjusted bill rate that is not a product of employee classification judgment, adjusted bill quantities reported to the NYSPSC on both PI and CSPI reports should include all adjusted bills, including those due to correction of billing estimates.
4-9	Adjusted Bills	2	16	O&R should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. o A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. o The types and causes of adjusted bills and how they are identified and classified in the CIMS system. o Employee responsibilities identifying bills for adjustment, calculating adjustments, classifying adjustments by reason, and for compiling, reviewing and quantifying the data in PI and CSPI reports.

Orange and Rockland Utility				
Chapter 4		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
4-10	Telephone Response	1	23	To the extent it is feasible with its existing phone system, O&R should limit the data reported on PI reports to calls received from O&R's New York customers. Calls from customers of Rockland Electric in New Jersey and Pike County Light & Power in Pennsylvania should be excluded from PI reports. To the extent it is not feasible to segregate and omit out-of-state calls, O&R should include a footnote in PI reports explaining that the telephone response metrics include calls from out-of-state customers, and providing an estimate of the percentage of total calls reported that represent O&R's New York customers.
4-11	Telephone Response	2	23	O&R should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report. • A description of the scope of calls included in PI metrics, including the customer base (e.g. New York only, or New York, New Jersey and Pennsylvania) and times (business days and hours).
4-12	Non-Emergency Service Response	1	27	O&R should quantify and report NESR metrics for all customer-requested "service/meter" work requiring the response of service technicians on a non-emergency basis, including orders associated with customer electric service facilities currently reported, as well as all customer-driven gas and electric work performed by the Customer Meter Operations department.
4-13	Non-Emergency Service Response	2	27	If electric "drop service" orders are customer-driven orders associated with the electric service facility, they should also be included NESR metrics reported to the NYSPSC.
4-14	Non-Emergency Service Response	3	27	O&R should save and maintain individual order-level supporting detail, including the type of order (e.g. "SR code"), dates customer requests were made and dates work was completed in the field, to support NESR metrics reported to the NYSPSC. Once archived, the information should be maintained for at least five years, and should not be destroyed after "30 months."
4-15	Non-Emergency Service Response	4	27	O&R should perform a complete, top-to-bottom review of the NESR order data it collects in its CIMS and WMS systems and make the process and data corrections necessary to ensure that PI reports reflect orders completed in the field during a given month, and properly reflect, for each order completed, the number of days between the time the customer request was made and the time the work was completed. It does not appear that PI reports during the review period came close to correctly reporting this information.
4-16	Non-Emergency Service Response	5	27	O&R should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that O&R's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at order initiation) and when it ends (e.g., on the date work is completed in the field). • A complete description of all processes, organizational responsibilities and information systems involved in completing NESR work, from the point at which customer requests are received, to the point at which PI metrics are prepared for submission to the NYSPSC.
4-17	Estimated Meter Readings	1	36	O&R's PI reports should reflect meter reading metrics for O&R's operations in the State of New York. Meter statistics for Rockland Electric in New Jersey and for Pike County Power and Light in Pennsylvania should be excluded from the reports.

Orange and Rockland Utility				
Chapter 4		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
4-18	Estimated Meter Readings	2	36	O&R should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes, system and management reports involved in translating meter data into performance indicator meter metrics 3a and 3b.
4-19	Customer Complaints to the NYSPSC	1	41	O&R should document the following information about the calculation of its customer complaint rate in writing, as part of a written company procedure covering performance indicator metrics: • A description of customer complaint procedures, including organizational and employee responsibilities connected with handling complaints and interaction and coordination with the NYSPSC. • A description of the information systems, supporting data and databases involved in maintaining complaint information and managing complaints. • A description of the process of collecting data for the calculation of the complaint rate, including a description of the data sources supporting SRS complaints and customer counts used in the rate calculation, and including employee responsibilities for calculating, reviewing, and adding the metric to PI and CSPI reports.
4-20	Customer Satisfaction	1	46	O&R should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor XzamCorp. It should document XzamCorp's survey procedures in detail and the deliverables that should be produced, including the frequency and number of surveys to be completed, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to O&R, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
4-21	Customer Satisfaction	2	46	O&R and the NYSPSC should give consideration to expanding O&R's Customer Contact Satisfaction Survey so that it encompasses satisfaction with the entire service provided by O&R to customers who contact the Company, rather than limiting the satisfaction survey to the way the CSR handled the customer's call. For example, a CSR may have handled a gas leak call with courtesy and attentiveness to the customer's needs, while the Company may have dropped the ball further down the line, by not arriving at the customer's premises in a reasonable amount of time.

Niagara Mohawk Power Corporation				
Chapter 5		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
5-1	Internal Control over Systems and Processes	1	3	**See Electric Reliability Comparison Chapter Rec 2-1*
5-2	Internal Control over Systems and Processes	2	3	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
5-3	Other Reliability-Related Metrics Used	1	19	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 5		**Gas Safety**		
5-1	Internal Controls	1	2	NiMo should program its systems to group and report emergency response time durations in compliance with PSC intent.
5-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
5-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.

Niagara Mohawk Power Corporation				
Chapter 5		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
5-4	Internal Controls	4	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.
5-5	Damage Prevention	1	10	NiMo should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
5-6	Damage Prevention	2	10	Root causes should be consistently mapped to the same PSC classification by all National Grid New York utilities.
5-7	Damage Prevention	3	10	NiMo should establish a new root cause for incidents involving the marking and excavation by company crews that results in a damage to underground pipe. This new root cause should be mapped to the PSC classification attributing the damage to Company and Company Contractors.
5-8	Leak Management	1	30	NiMo should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
5-9	Infrastructure Replacement	1	36	NiMo should maintain basic, supporting data for its infrastructure replacement performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. Systems that become non-operational should not serve as a rationalization for filing unreliable information with the PSC.
5-10	Other Filed Information	1	41	NiMo should amend its PSC accident notification procedures to specify all incidents that are to be disclosed to the PSC.
5-11	Other Filed Information	2	41	NiMo's written accident and interruption notifications to the PSC should provide a more complete chronological sequence of events. At a minimum, the company should specify the time it was notified of the incident, the time it completed its repairs, and the time the PSC was telephonically notified.
5-12	Other Filed Information	3	41	NiMo should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 5		**Customer Service**		
5-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
5-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
5-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
5-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
5-5	Appointments	1	9	NMPC should quantify and report appointments metrics on its PI Report for all customer-driven work requiring NMPC employees to meet customers at their premises, rather than limiting PI-reported appointments to a subset of CMS work based upon two-hour appointment windows.
5-6	Appointments	2	9	To ensure metrics are accurately reported, NMPC should take a careful look at the query logic used to pull appointments classified as "kept" for the PI report. To reduce confusion, NMPC should align its internally-maintained definition of "appointments met" with the PI-reported definition for "appointments kept."

Niagara Mohawk Power Corporation				
Chapter 5		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
5-7	Appointments	3	9	NMPC should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
5-8	Adjusted Bills	1	16	For consistency with other New York utilities reporting billing performance indicators, and to permit the calculation of an accurate adjusted bill rate, NMPC's PI metric 2a should report total bills issued instead of total meter reads.
5-9	Adjusted Bills	2	16	NMPC should make whatever programming changes to the queries that provide the data for PI metric 2b – adjusted bills, to ensure that the metric reflects an accurate monthly count of rebills.
5-10	Adjusted Bills	3	16	To enhance consistency among utilities and facilitate the computation of an accurate adjusted bill rate, NMPC's PI Report metric 2b should include all adjusted bills. Unless PI metric 2b is properly defined as "the subset of total adjusted bills for which a majority is not company errors," there is no basis for removing rebills due to customer reads from a total count of adjusted bills.
5-11	Adjusted Bills	4	17	NMPC should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills (cancel/rebills) and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills (cancel-rebills) and how they are identified in the CSS system.
5-12	Telephone Answer Response	1	24	NMPC should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report.
5-13	Non-Emergency Service Response	1	27	"Service/meter orders" included in NESR metrics should not be limited to a subset of orders handled by the Electric and Gas Operations departments. NMPC should quantify and report NESR metrics for all customer requested work requiring the response of service technicians on a non-emergency basis. Most customer driven orders in the "service/meter order" category originate in the Customer Meter Services department and none of these are currently being counted. Implementing this recommendation may require a review of the jobs performed by the Customer Meter Services department so that work performed at the request of customers can be separately identified and categorized for tracking in the NESR metrics.
5-14	Non-Emergency Service Response	2	27	The NYSPSC and NMPC should determine whether it is necessary or advisable to include orders from the Electric and Gas Operations departments (which most other New York utilities do not include) in its NESR "service/meter order" metrics (PI metrics 4a, 4b and 4c). In particular, the NYSPSC and NMPC should consider whether orders that originate from within the Company or from municipal public works departments should be co-mingled with orders that originate from contacts by customers.
5-15	Non-Emergency Service Response	3	27	Metrics 4b, 4e and 4h (total days between service order initiation and field completion) should be calculated based on the actual number of calendar days between these events. This simply involves subtracting the initiation date from the completion date.

Niagara Mohawk Power Corporation				
Chapter 5		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
5-16	Non-Emergency Service Response	4	28	NMPC should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that NMPC's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g. at service order initiation) and when it ends (e.g. on the date work is completed in the field).
5-17	Estimated Meter Readings	1	37	To the extent it is feasible with available technology, NMPC should maintain support for monthly meter statistics reported to the NYSPSC from the source information system, Itron FCS. The only support currently maintained is a Monthly Meter Reading Report which is a manually-prepared Excel spreadsheet using the data produced by Itron FCS. We recommend maintaining the data from the source system as support for the spreadsheet information. This can be maintained either in a raw data format that can be totaled and traced to the PI Report, or in the form of a summary report derived directly from the Itron FCS system using Crystal reports. Alternatively, PageCenter reports, which extract the meter data from the CSS system, into which it passes from Itron FCS, could be maintained as support for the manually-prepared spreadsheet data.
5-18	Estimated Meter Readings	2	37	Document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
5-19	Customer Complaints to the NYSPSC	1	42	For consistency with other utilities and comparability with the complaint rates reported by the NYSPSC, NMPC should use customer accounts instead of average monthly bills in calculating complaint rates for PI and CSPI reporting.
5-20	Customer Complaints to the NYSPSC	2	42	NMPC should include both active residential and active non-residential customer accounts in the customer quantities it uses to calculate complaint rates for PI and CSPI reporting and in reporting to the NYSPSC. Further, for consistency with other utilities, the customer count should be as of year-end of the year prior to the reporting period (December 31, 2012, for the 2013 reporting period), instead of an arbitrary date (February 25 in 2013) within the reporting year.
5-21	Customer Complaints to the NYSPSC	3	42	NMPC's PI and CSPI customer complaint rates should be consistently reported to the hundredth of a percent. We note that the Company did this in all but one case (the 2012 CSPI Report) during the review period.
5-22	Customer Satisfaction	1	49	NMPC should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor ISA. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to NMPC, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.

KeySpan New York				
Chapter 6		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
6-1	Internal Controls	1	2	KEDNY should program its systems to group and report emergency response time durations in compliance with PSC intent.
6-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
6-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.
6-4	Internal Controls	4	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
6-5	Damage Prevention	1	10	KEDNY should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
6-6	Damage Prevention	2	10	If KEDNY cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC.
6-7	Damage Prevention	3	11	At a minimum, support for damages not attributed to no-calls should include proof that a one-call ticket was requested and locate action taken.
6-8	Damage Prevention	4	11	The company should be able to produce evidence of a one-call ticket for any damage attributed to excavator error, company and company contractors, or mismarks. Otherwise, compelling evidence should be provided that demonstrates that a different root cause was the grounds for the damage incurred.
6-9	Emergency Response	1	22	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDNY should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors.
6-10	Emergency Response	2	22	KEDNY should program its systems to display and properly calculate the time durations for emergency response purposes to equal the difference between the on-site arrival time of a CMS technician and the receipt time of a reported emergency.
6-11	Emergency Response	3	22	KEDNY should take steps to ensure that legitimate emergency work orders are not improperly excluded from its performance metrics in the future.
6-12	Leak Management	1	34	KEDNY should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
6-13	Infrastructure Replacement	1	41	KEDNY should maintain a detailed listing by work order number of the leak-prone pipe it replaced in the calendar year in electronic format that supports the quantities it reports to the state. At a minimum, these detailed listings should specify the date the work order was completed, the composition of the pipe replaced and the footage of pipe replaced.
6-14	Other Filed Information	1	45	KEDNY should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 6		**Customer Service**		
6-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by Niagara Mohawk, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
6-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, is prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
6-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
6-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.

KeySpan New York				
Chapter 6		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
6-5	Internal Controls	5	3	As part of an internal audit of KEDNY's customer service metrics, National Grid should include analysis and testing of internal system controls over job order quantities and order initiation and completion dates maintained in the CRIS and Advantex MDSI systems.
6-6	Appointments	1	9	KEDNY should quantify and report appointments metrics on its PI Report for all customer-driven work which requires CMS service technicians to meet customers at their premises, rather than limiting PI-reported appointments to 10 selected job types.
6-7	Appointments	2	9	KEDNY should reconcile "jobs made" and "jobs kept" quantities reported on its Monthly Performance Indicator report (response to request BU-2, Attachment 2.1) with job quantities in its data warehouse (response to request BU-65 Supplemental, Attachment 1). The "Monthly [Appointments] Performance Indicator" report, which contains the CMS jobs data used in the PI report, should be reviewed and corrected to properly reflect the jobs "made" and "kept" quantities in the Company's data warehouse database.
6-8	Appointments	3	9	KEDNY should review the list of job type codes used by its Scheduling and Dispatch function for work performed by its CMS department and do the following: • Unless all CMS job types are customer driven, identify and separately categorize job codes that involve appointments to meet customers at their premises, to enable the PI Report to include all appointments for jobs in which a Service Technician is dispatched to meet a customer. To the extent there are job type codes in which a customer premises appointment may or may not be scheduled, the codes should be split so that the jobs requiring appointments can be separately identified. • Eliminate "default" job type codes, such as "Change Meter – Other" that can be used instead of more specific codes that may apply, to reduce the chance of misclassification. • Eliminate unnecessarily detailed job codes, to reduce the chance of misclassification.
6-9	Appointments	4	9	KEDNY should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and supporting data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-10	Adjusted Bills	1	17	In KEDNY's next rate case, the NYSPSC should re-set the CSPI's adjusted bill negative revenue adjustment threshold to reflect the calculation currently being made, which removes adjusted bills not "due to an error by KEDNY." In other words, the current threshold should be reduced from 1.69% down to around 0.6% or 0.7%.
6-11	Adjusted Bills	2	17	As part of KEDNY's next rate case, the Company and the NYSPSC should reach a mutual understanding of what is meant by the term "adjusted bill due to an error by KEDNY." The query logic for identifying and extracting bills that meet this definition should be fully documented by KEDNY and fully disclosed to and understood by NYDPS Staff charged with ensuring compliance. The adjusted bill rate calculation resulting from this understanding should form the basis of a new negative revenue adjustment threshold, as discussed in the prior recommendation.
6-12	Adjusted Bills	3	18	KEDNY should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills. • The types and causes of adjusted bills and how they are identified in the CRIS (or, in the future, the CSS) system. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-13	Adjusted Bills	4	18	KEDNY should document the following information about CSPI adjusted bills metrics in writing: • A definition of total bills issued and how it is different from the metric maintained for PI reporting. • A definition of adjusted bills and how it is different from the metric maintained for PI reporting. • A description of each type of adjusted bill included in total adjusted bills. • A description of each type of bill removed from total adjusted bills to determine adjusted bills net of adjustments not "due to errors by KEDNY," including a description of why bills of each type removed are not due to errors by KEDNY.

KeySpan New York				
Chapter 6		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
6-14	Adjusted Bills	5	18	Before the NYSPSC accepts KEDNY's adjusted bills CSPI for the year 2015, the database query logic used to calculate the metric; in particular, the logic used to identify and extract "non-company error rebills" from the population of total adjusted bills, should be reviewed by the Company, most likely corrected to reflect the understanding discussed in recommendation #2 above, and discussed with and reviewed by the NYSPSC.
6-15	Telephone Answer Response	1	28	For the purpose of reporting its CSPI service level, KEDNY should calculate the percentage of calls answered within 30 seconds as a simple average of individual monthly percentages. The method KEDNY used to calculate the metric during the review period gave more weight to service levels in months with higher-than-average call volumes, and less weight to service levels in months with below-average call volumes. While KEDNY's method is a reasonable (and possibly even preferred) approach to calculating the annual service level, it is contrary to the requirements governing the calculation as stated in the Joint Proposal in Case 06-M-0878.
6-16	Telephone Answer Response	2	28	KEDNY should document the following information about PI-reported telephone system metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of call answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-17	Non-Emergency Service Response	1	32	KEDNY should quantify and report NESR metrics on its PI Report for all customer-requests requiring a non-emergency response of a CMS Service Technician. The Company should not limit the collection of data for NESR metrics to 10 selected job types.
6-18	Non-Emergency Service Response	2	32	KEDNY should maintain underlying data warehouse support for the "jobs made" and "jobs kept" quantities and equivalent NESR order quantities reported on its Monthly [Appointments] Performance Indicator report.
6-19	Non-Emergency Service Response	3	33	KEDNY should review the list of job type codes used by its Scheduling and Dispatch function for work performed by its CMS department and do the following: • Identify and separately categorize jobs involving non-emergency responses to customer requests to enable the PI Report to include all jobs in which a CMS Service Technician is dispatched in response to a customer request (regardless of whether an appointment at the customer's premises is required). To the extent there are job type codes in which jobs may or may not, depending on circumstances, involve a response to a customer request, such job types should be split so that the jobs responding to non-emergency service requests can be separately identified. • Eliminate "default" job type codes, such as "Change Meter – Other" that can be used instead of more specific codes that may apply, to reduce the chance of misclassification. • Eliminate unnecessary job codes to reduce the chance of misclassification.
6-20	Non-Emergency Service Response	4	33	KEDNY should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description covering the entire set of work that KEDNY's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all CRIS/Advantex job type codes, or whatever future system codes may be used, to identify and track all non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field). • Responsibility assignments for collecting, compiling, reviewing, and quantifying the data in the PI Report.
6-21	Estimated Meter Readings	1	35	KEDNY's metric 5b, percentage of meters estimated, should be changed to report the number, rather than percentage, of meters estimated, consistent with the eight other utilities reporting meter metrics on PI Reports.

KeySpan New York				
Chapter 6		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
6-22	Estimated Meter Readings	2	35	To the extent it is feasible with available technology, KEDNY should maintain support for monthly meter statistics reported to the NYSPSC from the source information system, Itron FCS. As noted above, the only support currently maintained is a Monthly Meter Reading Report which is manually prepared using the data produced by Itron FCS. We recommend maintaining the data from the source system as support for manually transcribed spreadsheet information. This can be maintained either in a raw data format that can be totaled and traced to the PI Report, or in the form of a summary report derived directly from the Itron FCS system using Crystal reports.
6-23	Estimated Meter Readings	3	36	KEDNY should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of KEDNY's meter reading processes for manual and automated meter reads, and the relationship between the type (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
6-24	Customer Complaints to the NYSPSC	1	42	KEDNY should supply the number of customer accounts to the NYSPSC dated as of calendar year end for use in the months of the following year and the amount should be based on both residential and non-residential accounts.
6-25	Customer Complaints to the NYSPSC	2	42	KEDNY currently has a CSPI benchmark, or negative revenue adjustment threshold, of 1.1 complaints per 100,000. To help ensure and easily demonstrate that the calculated complaint rate is not improperly rounded down with respect to the CSPI negative revenue adjustment threshold, we recommend that KEDNY consistently calculate and report customer complaint rates on both PI and CSPI reports, and for both monthly and annual PI reporting periods, to the hundredth of a percent, as it did for annual CSPI reports throughout the five-year review period.
6-26	Customer Satisfaction	1	48	Based on its own internal goals, KEDNY should obtain at least 100 completed surveys per month for use in preparing its customer satisfaction metric for PI and CSPI reporting. To accomplish this, KEDNY will need to instruct Melior to mail surveys to more than 23% of the customers that KEDNY sends to Melior.
6-27	Customer Satisfaction	2	48	KEDNY should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor Melior. The SoW should document the Melior's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month; and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to KEDNY, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
6-28	Customer Satisfaction	3	48	To facilitate an audit trail, as long as KEDNY continues to use mail surveys, it should obtain from its vendor, and be required to retain files containing scanned copies of its completed mail surveys. The process of scanning and creating Adobe-based files for approximately 100 surveys should not require more than a few minutes of effort each month.

KeySpan Long Island				
Chapter 7		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
7-1	Internal Controls	1	2	Absent a suitable manual review of underlying data, the company should program its primary emergency response time system, MDSI Advantex, to identify unusual patterns in the underlying time distributions so as to bring them to management's attention.
7-2	Internal Controls	2	2	KEDLI should program its systems to measure its emergency response times to the second, and the reporting of emergency response time metrics should be calculated in compliance with PSC intent.
7-3	Internal Controls	3	2	**See Gas Safety Executive Summary Rec 1-5*
7-4	Internal Controls	4	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.

KeySpan Long Island				
Chapter 7		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
7-5	Internal Controls	5	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
7-6	Damage Prevention	1	11	KEDLI should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
7-7	Damage Prevention	2	11	If KEDLI cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC.
7-8	Emergency Response	1	22	KEDLI should maintain basic, supporting data for its emergency response performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. System conversions and the development of new reporting capabilities should not render historical information irretrievable.
7-9	Emergency Response	2	22	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDLI should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors.
7-10	Emergency Response	3	22	As part of its review of emergencies, all work orders with identical dates, times, and radio numbers should be assessed for duplication. Duplicate emergencies should then be excluded from the reported metrics filed with the PSC.
7-11	Leak Management	1	34	KEDLI should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
7-12	Leak Management	2	34	Although we observed no specific issues with the leak classifications assigned, the company should consider programming its LMS to assign leak classifications based on objective measurements taken in the field to eliminate the possibility that readings could be misinterpreted or misapplied.
7-13	Leak Management	3	34	KEDLI should revise the methodology it uses to identify leaks to be included in its repairable leak backlog so that errors do not occur in the future. Overland discovered omissions from the backlog through a review of subsequent leak repairs. At a minimum, that same procedure should be used as a check and balance of the preliminary results.
7-14	Infrastructure Replacement	1	41	Data concerning the composition of mains and services associated with the infrastructure replacement program metrics should be verified and corrected in Maximo.
7-15	Other Filed Information	1	46	KEDLI should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 7		**Customer Service**		
7-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
7-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
7-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
7-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
7-5	Appointments	1	9	KEDLI should quantify and report appointments metrics on its PI Report for all customer-driven work which requires CMS service technicians to meet customers at their premises, rather than limiting PI-reported appointments to special meter reads.

KeySpan Long Island				
Chapter 7		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
7-6	Appointments	2	9	KEDLI should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
7-7	Adjusted Bills	1	15	KEDLI should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills and how they are identified in the CSS system.
7-8	Adjusted Bills	2	15	Although it has not done so, since the conversion to the CSS customer information system, KEDLI has had the ability to remove "conditioners" (non-company error adjusted bills) from its total adjusted bill count for the purpose of calculating metrics. Before doing so, we recommend KEDLI notify the NYSPSC of its intent to change its adjusted bill calculation and provide the NYSPSC with the data the Company has been maintaining internally, showing the classifications of bills it intends to remove and their impact on the adjusted bill baseline. Given a new baseline, the NYSPSC can decide whether it wishes to reset the performance threshold to account for the lower adjusted bill rate that KEDLI will be reporting.
7-9	Telephone Answer Response	1	21	KEDLI should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percentage of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report.
7-10	Non-Emergency Service Response	1	25	KEDLI should quantify and report NESR metrics on its PI Report for all customer-requests requiring the response of service technicians on a non-emergency basis. KEDLI should not limit the collection of data for NESR metrics to two selected job types.
7-11	Non-Emergency Service Response	2	25	KEDLI should identify and include on its PI Report the total number of days required to process the customer-requested non-emergency services reported in metric 4a. The number should be based on days between the origination of the orders and completion of the work. The resulting days should be reported as metric 4b – Total days to complete all service/meter orders. KEDLI should also calculate and report metric 4c – Average days to complete all service/meter orders using the data from metrics 4a and 4b.
7-12	Non-Emergency Service Response	3	25	To facilitate accurate reporting of all non-emergency customer service requests, KEDLI should review its list of 18 job type codes used to classify work performed by its CMS department to identify and separately categorize for inclusion in monthly PI metrics the jobs involving non-emergency service responses to customer requests. To reduce the chance of misclassification, to the extent possible, KEDLI should eliminate "default" job codes with descriptors such as "other" or "miscellaneous" that can be used instead of more accurate, specific job codes.

KeySpan Long Island				
Chapter 7		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
7-13	Non-Emergency Service Response	4	25	KEDLI should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description covering the entire set of work that KEDLI's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field).
7-14	Estimated Meter Readings	1	28	KEDLI should remove customer-read meter totals from its PI Report metric 5b – estimated meters.
7-15	Estimated Meter Readings	2	28	KEDLI should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of KEDLI's meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). As noted above, estimated meters should not include customer-read meters. • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
7-16	Customer Complaints to the NYSPSC	1	32	KEDLI should supply the number of customer accounts to the NYSPSC dated as of calendar year end for use in the months of the following year, and the amount used should include both residential and non-residential accounts.
7-17	Customer Complaints to the NYSPSC	2	32	KEDLI currently has a CSPI benchmark, or negative revenue adjustment threshold, of 1.1 complaints per 100,000. To help ensure and easily demonstrate that the calculated complaint rate is not improperly rounded down with respect to the CSPI negative revenue adjustment threshold, we recommend KEDLI consistently calculate and report customer complaint rates to the hundredth of a percent on both PI and CSPI reports and for monthly as well as annual PI reporting periods.
7-18	Customer Satisfaction	1	38	KEDLI should verify that its survey contractor, Mktg. Inc., is meeting its target of completing 150 surveys per month. To the extent it is not, KEDLI should determine the reason. If necessary, KEDLI should provide Mktg. Inc. a larger average monthly file of recent residential customer contacts to enable the vendor to meet its stated target for survey completions. In 2013, KEDLI sent Mktg. Inc. files containing only about one-eighth of the customers available for survey.
7-19	Customer Satisfaction	2	38	KEDLI should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor Mktg. Inc. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey from the survey database sent back to KEDLI, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.

New York State Electric & Gas				
Chapter 6		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
6-1	Internal Control over Systems and Processes	1	3	**See Electric Reliability Comparison Chapter Rec 2-1*
6-2	Internal Control over Systems and Processes	2	3	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations
6-3	Other Reliability- Related Metrics Used	1	23	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 8		**Gas Safety**		
8-1	Internal Controls	1	2	NYSEG should fully document its processes for compiling its gas safety data. This documentation should be written in a clear and concise manner. Due to the manual nature of these processes, a particular emphasis should be placed on ensuring that there is an adequate audit trail for any manual adjustments.

New York State Electric & Gas				
Chapter 8		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
8-2	Internal Controls	2	2	NYSEG should develop written review procedures that can be performed by management to help ensure the completeness and accuracy of these metrics. These review procedures should be performed by someone other than the individual responsible for compiling the data.
8-3	Internal Controls	3	2	NYSEG should seek to remove unnecessary complexities from the processes it uses to compile its gas safety metrics. When appropriate, NYSEG should utilize available technology to automate the compiling of these metrics.
8-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in NYSEG's regular internal audit cycle.
8-5	Internal Controls	5	2	To help ensure that the methodology for compiling NYSEG's gas safety performance metric data is known, and can be applied by, at least two people within the organization, NYSEG should alternate these responsibilities among at least two individuals.
8-6	Damage Prevention	1	8	NYSEG's methodology for compiling its damage prevention metrics can potentially classify the same damage with multiple root causes. For purposes of reporting to the NYSPSC, NYSEG should categorize each damage with one of the four available root causes: mismarks, no-calls, third-party negligence, company & company contractors.
8-7	Damage Prevention	2	8	NYSEG should maintain a consistent level of field documentation for each damage incident. NYSEG should require paper damage reports to be completed in the field and NYSEG should maintain scanned copies of these reports as support for its reported damage classifications.
8-8	Damage Prevention	3	8	NYSEG should retain support for its one-call ticket figures. This would include both the original invoices from the one-call ticket providers and whatever adjustments NYSEG makes to those invoice amounts to derive its reported one-call ticket figures.
8-9	Emergency Response	1	18	NYSEG should either provide each of its emergency responders with a handheld device capable of recording his/her arrival time or institute a system wherein the arrival times of the emergency calls are recorded using the clock from SAP.
8-10	Emergency Response	2	18	NYSEG should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should be excluded when they are initiated by qualified personnel and fire department calls, which should be included when they are related to gas odor emergencies.
8-11	Emergency Response	3	18	NYSEG should develop revised procedures for compiling the emergency response data that allow it to derive the emergency response metric reports with less manual processing, preferably by using SAP to generate the reports directly.
8-12	Emergency Response	4	18	Prior to submitting its emergency response metrics to the NYSPSC, NYSEG should perform a reconciliation of calls listed on its raw data (obtained from SAP) to the calls ultimately reported to the NYSPSC (obtained from NYSEG's intranet). NYSEG should review the list of reconciling items to ensure that any call exclusions are consistent with NYSPSC guidance.
8-13	Leak Management	1	26	As part of its review procedures for ensuring accurate leak repair data, NYSEG should perform a leak roll-forward, similar to what was performed during this audit, to help ensure that the leak backlog, as well as the components driving the leak backlog, are appropriately recorded.
8-14	Leak Management	2	26	Prior to reporting its leak backlog statistics to the NYSPSC, NYSEG should perform a review of subsequent leak repairs as a check to ensure that it has recorded all applicable leaks on its backlog.
8-15	Leak Management	3	26	NYSEG should attempt to generate its open leak reports directly from SAP, in order to replace the manual methodology currently used. If NYSEG determines that such functionality cannot be performed within SAP, NYSEG should consider using a different system to house its leak data.
8-16	Infrastructure Replacement	1	32	NYSEG should consistently and systematically document its basis for classifying a segment of main as "leak-prone" whenever material, such as protected steel, that is generally not considered leak-prone material, is included in the program.
8-17	Infrastructure Replacement	2	32	NYSEG should maintain job completion reports for all infrastructure replacement projects that contain the following: address/location of the leak-prone main being replaced; footage of main replaced; composition of main replaced; completion date of the project.
8-18	Infrastructure Replacement	3	32	NYSEG should develop a method to provide an adequate audit trail for its leak-prone service replacement program. At a minimum, this should allow for the tracing of the program's reported performance (i.e., the number of services replaced) to NYSEG's detailed listing.
8-19	Benchmarking and Other Gas Safety Performance Metrics	1	41	NYSEG should seek out opportunities to participate in benchmarking studies for its gas safety performance.
Chapter 8		**Customer Service**		
8-1	Internal Controls	1	2	NYSEG should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting customer service metrics reported to the NYSPSC. Specifics concerning the information the procedure should include are addressed in the discussions of individual categories of customer service metrics below.
8-2	Internal Controls	2	2	NYSEG should implement a procedure to ensure that all backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC for a period of time as agreed upon with the NYSPSC.

New York State Electric & Gas				
Chapter 8		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
8-3	Internal Controls	3	2	NYSEG should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
8-4	Internal Controls	4	2	Overland recommends that NYSEG conducts an audit of all of the customer service metrics that are reportable to the NYSPSC on a periodic basis. Audits of the CSPIs were conducted in 2008 (with a follow up audit in 2009), 2011 and 2012. These audits should be expanded to include those metrics submitted in the PI report to the NYSPSC as well.
8-5	Appointments	1	9	NYSEG should remove from the appointments reportable to the PSC, those service notifications that are not considered appointments by definition (appointments that are always kept). Doing this would show a more accurate picture of the service reliability the utility maintains with respect to customer initiated requests for meter work and move in/move out tasks.
8-6	Appointments	2	9	Overland recommends that meter supervisors formally document within SAP the reason why any appointment missed is manually changed to an appointment kept during the review process.
8-7	Adjusted Bills	1	15	Overland recommends that NYSEG take measures to reduce the number of adjusted bills that are incorrectly coded. These measures could involve more training for the customer service representatives or reducing the number of billing adjustment codes used.
8-8	Adjusted Bills	2	15	Overland recommends that NYSEG create a separate billing adjustment code for out-of-balance customer accounts and determine (with NYSPSC approval) whether or not it should be reportable as a billing adjustment in the PI report.
8-9	Telephone Answer Response	1	22	The documented change in the process of recording and reporting "Percent of Calls Answered" should be reviewed periodically to ensure that the errors from Audit Finding #5 are eliminated.
8-10	Telephone Answer Response	2	22	NYSEG should update the terminology used in the row headers in the NYSEG Call Center Telephone Statistics 2013 (EG-04-0120, Attachment 1) to make the spreadsheet more understandable to the end user.
8-11	Telephone Answer Response	3	22	NYSEG should submit to the NYSPSC its Service Level Percentage (Percent of Calls Answered within 30 seconds) using the calculation that is shown in EG-01-0004, Attachment 1, Page 3 and in the daily Service Level % cells in EG-04-0126, Attachment 1. The calculation of Service Level Percentage used by the utility during 2013 did not account for Calls Abandoned as did the calculation in the two attachments previously referenced. This would improve the simplicity and consistency of the calculation.
8-12	Non-Emergency Service Response	1	28	Instead of excluding a work order from the data reported to the PSC because the days to complete the work order does not accurately reflect the period that the utility is responsible for completing the work order, NYSEG should include the work order and manually adjust the number of days to complete the work order to properly reflect the period of time where the Company is responsible for completing the work order.
8-13	Non-Emergency Service Response	2	28	NYSEG should add an additional task to those that begin the count of days to complete. The task description should be "Customer Request Received." This would act as a default task description that begins the count of days to complete (the one used if no other task that begins the count of days to complete is applicable) and would force all of the service notifications to have a task that begins the count of days to complete. Therefore, no service notifications extracted from SAP for the NESR service/meter work order metric would be excluded from PSC reporting simply because there is not a beginning date to the range that calculates the number of days to complete the work order.
8-14	Non-Emergency Service Response	3	28	NYSEG should review all service/meter work orders that are calculated to have a negative number of days to complete the order and manually change the number of days to zero or a positive number.
8-15	Non-Emergency Service Response	4	28	NYSEG should report the number of days to complete all street light jobs in its future submissions of the PI report to the PSC.
8-16	Non-Emergency Service Response	5	28	The count of days to complete a street light work order should be consistent for all work orders in all NYSEG districts, and based on when the street light notification is received by the utility.
8-17	Non-Emergency Service Response	6	28	All NYSEG districts should agree to the same processing and reporting procedures for street light work orders, which should include totaling the number of street light work orders entered daily at the end of each month; and calculating the number of days to complete the street light work orders, and the monthly average days to complete them.
8-18	Non-Emergency Service Response	7	28	A supervisor at each NYSEG district should review the street light order data by reconciling the notifications (paper or electronic) for a particular district to the spreadsheet that is submitted to the Customer Service Performance Department for reporting to the PSC via the PI report. Any discrepancies at the district level should be addressed and resolved before submission to the Customer Service Performance Department.
8-19	Non-Emergency Service Response	8	29	NYSEG should track and report the number of days to complete all tree trimming jobs and the average days to complete all tree trimming jobs in its future submissions of the PI report to the PSC.
8-20	Non-Emergency Service Response	9	29	We recommend that all of the NYSEG districts agree to the same processing and reporting procedures for tree trimming work orders, which should include totaling the number of tree trimming work orders entered daily at the end of each month; and calculating the number of days to complete the tree trimming work orders and the monthly average days to complete them.

New York State Electric & Gas				
Chapter 8		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
8-21	Non-Emergency Service Response	10	29	A supervisor at each NYSEG district should review the tree trimming work order data by reconciling the notifications (paper or electronic) for a particular district to the spreadsheet that is submitted to the Customer Service Performance Department for reporting to the PSC via the PI report. Any discrepancies at the district level should be addressed and resolved before submission to the Customer Service Performance Department.
8-22	Estimated Meter Readings	1	39	Overland recommends that since PI reporting is performed on a monthly basis, NYSEG should save each month's Estimates YYYY.xls file, including the queried data typically extracted from SAP into the Excel file.
8-23	Customer Complaints to the NYSPSC	1	44	NYSEG's calculation for the PSC Complaint Rate should be made consistently between its PI report and the PI report supporting documentation. NYSEG claims in the response to discovery request, EG-04-0122, that it will change the process of calculating and reporting the PSC Complaint Rate retroactively back to January 2014, by manually inputting the monthly year-to-date rate from the PI supporting spreadsheet into the PI report. To ensure the accuracy and integrity of the data, NYSEG will "lock down the monthly column" in the supporting documentation spreadsheet and have the supervisor of the analyst that manually inputs the rate into the PI report verify that the rate was input correctly.
8-24	Customer Complaints to the NYSPSC	2	44	NYSEG should begin reporting PSC complaints in its PI report using the monthly rate that is shown in its supporting spreadsheet at EG-04-0118, Attachment 2 instead of the monthly year-to-date rate in order to be consistent with the reporting of the other New York utilities and with the report published by the NYSPSC.
8-25	Customer Complaints to the NYSPSC	3	44	To be consistent with RGE and with the previously agreed upon definition of customers to be used in the PSC Complaint Rate calculation, Overland recommends that NYSEG use the number of customers as of December 31 of the previous calendar year in their calculation of the utility's PSC Complaint Rate.
8-26	Customer Complaints to the NYSPSC	4	44	NYSEG should not include inactive customer accounts in its calculation for the PSC Compliance Rate. The exclusion of inactive customer accounts would make the calculation more consistent with RG&E and other utilities in New York.
8-27	Other Customer Service Metrics	1	56	Although not listed among the additional (non-PSC-reported) metrics NYSEG provided in response to our data request, NYSEG maintains statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend NYSEG add the percentage of total meters deployed with AMR devices to this meter category, as PI Report metric 5c.

Rochester Gas and Electric				
Chapter 7		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
7-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
7-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
7-3	Internal Control over Systems and Processes	3	3	Ensure that operators clearly and legibly complete notes in the manual operator's log.
7-4	Other Reliability- Related Metrics Used	1	24	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 9		**Gas Safety**		
9-1	Internal Controls	1	2	RG&E should fully document its processes for compiling its gas safety data. This documentation should be written in a clear and concise manner. Due to the manual nature of these processes, a particular emphasis should be placed on ensuring that there is an adequate audit trail for any manual adjustments.
9-2	Internal Controls	2	2	RG&E should develop written review procedures that can be performed by management to help ensure the completeness and accuracy of these metrics. These review procedures should be performed by someone other than the individual responsible for compiling the data.
9-3	Internal Controls	3	2	RG&E should seek to remove unnecessary complexities from the processes it uses to compile its gas safety metrics. When appropriate, RG&E should utilize available technology to automate the compiling of these metrics.
9-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. A review of the completeness and accuracy of the gas safety performance measures should then be included in RG&E's regular internal audit cycle.
9-5	Internal Controls	5	2	To help ensure that the methodology for compiling RG&E's gas safety performance metric data is known, and can be applied by, at least two people within the organization, RG&E should cycle these responsibilities among at least two individuals.

Rochester Gas and Electric				
Chapter 9		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
9-6	Damage Prevention	1	8	RG&E's methodology for compiling its damage prevention metrics can potentially classify the same damage with multiple root causes. For purposes of reporting to the NYSPSC, RG&E should categorize each damage with one of the four available root causes (i.e., mismarks, no-calls, third-party negligence, company & company contractors).
9-7	Damage Prevention	2	8	RG&E should maintain a consistent level of documentation for recording a damage to its facilities. RG&E should require paper damage reports to be completed in the field and RG&E should maintain scanned copies of these reports as support for its reported damage classifications.
9-8	Emergency Response	1	17	RG&E should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should be excluded when they are initiated by qualified personnel and Fire Department calls, which should be included when they are related to gas odor emergencies.
9-9	Emergency Response	2	17	RG&E should develop revised procedures for compiling the emergency response data that allow it to derive the emergency response metric reports with less manual processing, preferably by using SAP to generate the reports directly.
9-10	Emergency Response	3	17	Prior to submitting its emergency response metrics to the NYSPSC, RG&E should perform a reconciliation of calls listed on its raw data (obtained from SAP) to the calls ultimately reported to the NYSPSC (obtained from RG&E's intranet). RG&E should review the list of reconciling items to ensure that any calls exclusions are consistent with NYSPSC guidance.
9-11	Leak Management	1	25	As part of its review procedures for ensuring accurate leak repair data, RG&E should perform a leak roll-forward, similar to what was performed during this audit, to help ensure that the leak backlog, as well as the components driving the leak backlog, are appropriately recorded.
9-12	Leak Management	2	25	Prior to reporting its leak backlog statistics to the NYSPSC, RG&E should perform a review of subsequent leak repairs as a check to ensure that it has recorded all applicable leaks on its backlog.
9-13	Leak Management	3	25	RG&E should attempt to generate its open leak reports directly from SAP, in order to replace the highly manual methodology currently used. If RG&E determines that such functionality cannot be performed within SAP, RG&E should consider using a different system to house its leak data.
9-14	Infrastructure Replacement	1	30	RG&E should consistently and systematically document its basis for classifying a segment of main as "leak-prone" whenever material, such as protected steel, that is generally not considered leak-prone material, is included in the program.
9-15	Infrastructure Replacement	2	30	RG&E should maintain job completion reports for all infrastructure replacement projects that contain, at a minimum: address/location of the leak-prone main being replaced; footage of main replaced; composition of main replaced; completion date of the project.
9-16	Benchmarking and Other Gas Safety Performance Metrics	1	36	RG&E should seek out opportunities to participate in benchmarking studies for its gas safety performance.
Chapter 9		**Customer Service**		
9-1	Internal Controls	1	2	RG&E should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported to the NYSPSC. Specifics concerning the information the procedure should include are addressed in the discussions of individual categories of customer service metrics below.
9-2	Internal Controls	2	2	RG&E should implement a procedure to ensure that all backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC for a period of time as agreed upon with the NYSPSC.
9-3	Internal Controls	3	2	RG&E should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
9-4	Internal Controls	4	2	Overland recommends that RG&E conducts an audit of all of the customer service metrics that are reportable to the NYSPSC on a periodic basis. Audits of the CSPIs were conducted in 2008 (with a follow up audit in 2009), 2011 and 2012. These audits should be expanded to include those metrics submitted in the PI report to the NYSPSC as well.
9-5	Appointments	1	9	RG&E should remove from the appointments reportable to the PSC, those service notifications that are not considered appointments by definition (appointments that are always kept). Doing this would show a more accurate picture of the service reliability the utility maintains with respect to customer initiated requests for meter work and move in/move out tasks.
9-6	Appointments	2	9	Overland recommends that the RG&E meter supervisor formally document within SAP the reason why any appointment missed is manually changed to an appointment kept during the review process.
9-7	Adjusted Bills	1	15	Overland recommends that RG&E take measures to reduce the number of adjusted bills that are incorrectly coded. Examples of these measures could involve more training for the customer service representatives or reducing the number of billing adjustment codes used.
9-8	Adjusted Bills	2	15	Overland recommends that RG&E creates a separate billing adjustment code for out-of-balance customer accounts and determine (with NYSPSC approval) whether or not it should be reportable as a billing adjustment in the PI report.

Rochester Gas and Electric				
Chapter 9		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
9-9	Non-Emergency Service Response	1	26	Instead of excluding a work order from the data reported to the PSC because the days to complete the work order does not accurately reflect the period that the utility is responsible for completing the work order, RG&E should include the work order and manually adjust the number of days to complete the work order to properly reflect the period of time where the Company is responsible for completing the work order.
9-10	Non-Emergency Service Response	2	26	RG&E should add an additional task to those that begin the count of days to complete. The task description should be "Customer Request Received." This would act as a default task description that begins the count of days to complete (the one used if no other task that begins the count of days to complete is applicable) and would force all of the service notifications to have a task that begins the count of days to complete. Therefore, no service notifications extracted from SAP for the NESR service/meter work order metric would be excluded from PSC reporting simply because there is no beginning date to the range that calculates the number of days to complete the work order.
9-11	Non-Emergency Service Response	3	27	RG&E should review all service/meter work orders that are calculated to have a negative number of days to complete the order and manually change the number of days to zero or a positive number.
9-12	Non-Emergency Service Response	4	27	RG&E should at least report the average days to complete all street light jobs to the tenth decimal place to improve the preciseness of the metric data as well as more easily identify variances in the metric data.
9-13	Non-Emergency Service Response	5	27	Since utility field workers sometimes perform street light repairs on weekends, RG&E should base their count of days to complete street light work orders on calendar days instead of work days.
9-14	Non-Emergency Service Response	6	27	Overland recommends that RG&E at least report the average days to complete all tree trimming jobs to the tenth of a decimal place to improve the preciseness of the metric data as, well as more easily identify variances in the data.
9-15	Non-Emergency Service Response	7	27	Since utility field workers sometimes perform tree trimming services on weekends, RG&E should base their count of days to complete tree trimming work orders on calendar days instead of work days.
9-16	Estimated Meter Readings	1	36	Overland recommends that since PI reporting is performed on a monthly basis, RG&E should save each month's Estimates YYYY.xls file, including the queried data typically extracted from SAP into the Excel file.
9-17	Estimated Meter Readings	2	36	Overland recommends that the two components of the Estimated Meter Reads calculation described in Finding #5 should be the same. The equation should be the population of scheduled meter reads minus the actual reads; that amount divided by the population of scheduled meter reads. However the population of scheduled meter reads is defined, it should be used both in the first term of the numerator and in the denominator.
9-18	Customer Complaints to the NYSPSC	1	40	RG&E's calculation for the PSC Complaint Rate should be made consistently between its PI report and the PI report supporting documentation. RG&E claims in the response to discovery request, RO-04-0121, that it will change the process of calculating and reporting the PSC Complaint Rate retroactively back to January 2014, by manually inputting the monthly year-to-date rate from the PI supporting spreadsheet into the PI report. To ensure the accuracy and integrity of the data, RG&E will "lock down the monthly column" in the supporting documentation spreadsheet and have the supervisor of the analyst that manually inputs the rate into the PI report verify that the rate was input correctly.
9-19	Customer Complaints to the NYSPSC	2	41	Overland recommends that RG&E begin reporting PSC complaints in its PI report using the monthly rate that is shown in its supporting spreadsheet at RO-04-0118, Attachment 2 instead of the monthly year-to-date rate, in order to be consistent with the reporting of the other New York utilities and with the report published by the NYSPSC.
9-20	Other Customer Service Metrics	1	52	Although not listed among the additional (non-PSC-reported) metrics RG&E provided, the Company maintains statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend RG&E add the percentage of total meters deployed with AMR devices to this meter category, as PI report metric 5c.

Central Hudson Gas and Electric				
Chapter 8		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
8-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
8-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
8-3	Internal Control over Systems and Processes	3	2	Request NYSPSC to agree on eliminating district reporting requirements.

Central Hudson Gas and Electric				
Chapter 10		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
10-1	Internal Controls	1	2	Central Hudson should develop written review procedures to be performed by management. Such reviews should include some indication (such as an electronic or physical signature) that provides an adequate audit trail to verify the review.
10-2	Internal Controls	2	2	Central Hudson should develop written procedures that provide adequate guidance regarding the compilation of its metrics. These procedures should include controls to ensure data reported to the NYSPSC represent actual (i.e., not estimated) figures, and that copies of the underlying data are maintained.
10-3	Internal Controls	3	2	Instead of truncating its emergency response times, Central Hudson should measure its emergency response times in accordance with NYSPSC requirements. If system constraints do not allow for such measurements, Central Hudson should manually adjust its times in order to make its best effort to conform to NYSPSC requirements.
10-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in Central Hudson's regular internal audit cycle.
10-5	Damage Prevention	1	9	Central Hudson should develop a robust set of root causes for all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.
10-6	Damage Prevention	2	9	In accordance with NYSPSC guidance, Central Hudson should use only new one-call tickets when calculating its damage prevention metrics.
10-7	Damage Prevention	3	9	Central Hudson should modify its damage report template to include an area for a physical or electronic reviewer sign-off. The damage reports should also include a listing of all possible root causes. This will help ensure that Central Hudson field personnel are classifying the damages in a consistent manner.
10-8	Emergency Response	1	17	Central Hudson should develop formal procedures regarding the synchronization of its electro-mechanical time stamp clocks with the clock in Central Hudson's CIS. The synchronization of the time stamp clocks to the CIS clock should be performed at a minimum weekly and preferably daily. This will help minimize the instances of inaccurately timed emergency response calls that would inevitably occur if two unsynchronized clocks were being used.
10-9	Emergency Response	2	17	Central Hudson should review all abnormally low response time calls (e.g., less than five minutes) to ensure that these do not represent employee-initiated calls.
10-10	Leak Management	1	23	Central Hudson should maintain a detailed listing by leak for its total leak backlog to support the quantities that it reports to the NYSPSC. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
10-11	Infrastructure Replacement	1	29	To help ensure expenditures for the leak-prone pipe program are accurately calculated Central Hudson should designate specific accounts to be used exclusively for this program. These accounts should be clearly labeled as "Leak-Prone" and all costs related to this program should be included in these accounts. Central Hudson should prohibit any expenditures unrelated to this program from being included in these accounts.
10-12	Infrastructure Replacement	2	30	Central Hudson should maintain the underlying data to support the figures that it reports for its infrastructure replacement programs.
Chapter 10		**Customer Service**		
10-1	Internal Controls	1	2	Central Hudson should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting customer service metrics reported by the utility to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
10-2	Internal Controls	2	2	Central Hudson should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC.
10-3	Internal Controls	3	2	Central Hudson should conduct an audit of the customer service metrics on a periodic basis. The internal audit should focus on the internal control issues summarized in this section, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
10-4	Appointments	1	8	Central Hudson should maintain in its CIS detail reports that support the appointments metrics reported to the NYSPSC and that these detail reports not be editable after the information from the report is submitted to the NYSPSC.
10-5	Appointments	2	8	Field workers, field supervisors, or customer service representatives (CSRs) should create and maintain a detailed description (audit trail) in the CIS of why each exempt missed appointment is classified as such.
10-6	Non-Emergency Service Response	1	23	Central Hudson should obtain an understanding of and be able to document the types of service/meter work orders that are included or excluded in the summation of service/meter work orders as shown on the last page of the "Dispatch Order Service Standard Report."

Central Hudson Gas and Electric				
Chapter 10		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
10-7	Non-Emergency Service Response	2	23	Central Hudson should ensure that street light work orders are only created for street lights that have repairs or maintenance performed by the utility, presumably those street lights included in Rates A and B.
10-8	Estimated Meter Readings	1	32	Central Hudson should ensure that the "Meters Available for Billing Detail" report is saved every month as part of the supporting documentation for the PI report.
10-9	Other Customer Service Metrics	1	50	Although not listed among the additional (non-PSC-reported) metrics CH provided in response to our data request, the Company should be maintaining statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend CH add the percentage of total meters deployed with AMR devices to this meter category, as PI Report metric 5c.
10-10	Other Customer Service Metrics	2	50	Central Hudson should update the customer satisfaction metric thresholds for its management incentive compensation plan to be at least the equivalent of, if not higher than, the CSPI thresholds, as the utility had done prior to the Fortis acquisition.

National Fuel Gas Distribution Corporation				
Chapter 11		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
11-1	Internal Controls	1	2	**See Gas Safety Executive Summary Rec 1-5*
11-2	Internal Controls	2	2	National Fuel should program its systems to group and report emergency response time durations in compliance with NYSPSC intent.
11-3	Internal Controls	3	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in National Fuel's regular internal audit cycle.
11-4	Damage Prevention	1	8	National Fuel should follow NYSPSC guidance and include coating damages in its damage preventions statistics.
11-5	Emergency Response	1	16	National Fuel should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should generally be excluded when they are initiated by operator-qualified personnel.
11-6	Emergency Response	2	16	In light of the large amount of zero-minute and one-minute response times, National Fuel should develop specific written procedures to review and verify the accuracy of abnormally low emergency response times.
11-7	Emergency Response	3	16	The Company should follow NYSPSC Staff guidance and include all emergency calls not explicitly excluded. This includes calls made due to odorant spills.
11-8	Emergency Response	4	16	National Fuel should develop specific written review procedures to identify and exclude or adjust "negative" emergency response calls.
11-9	Emergency Response	5	16	National Fuel should maintain a record of any and all emergency response arrival times that are not system-generated. These would include both system-generated arrival times that are manually adjusted, as well as arrival times that are manually input. These records should include, at a minimum, order numbers, dates, system-generated arrival times (if applicable), and manually input arrival times.
11-10	Leak Management	1	26	National Fuel should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format. This listing should support the leak quantities it reports to the NYSPSC. In addition, the same detail should be maintained for the year-end total leak backlog. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
11-11	Leak Management	2	26	National Fuel should develop a methodology to process its leak data on a more timely basis. The revised methodology should seek to ensure that leaks discovered/repaired in one period are recorded in the same period. As part of this revised methodology, National Fuel should develop a central electronic repository of its leak forms that can be efficiently accessed during the compilation process.
11-12	Leak Management	3	26	National Fuel should develop a leak backlog roll-forward prior to reporting its leak statistics to the NYSPSC in order to ensure that leak data "flow" logically and completely from one period to the next.
11-13	Infrastructure Replacement	1	32	National Fuel should begin filing a letter with the NYSPSC that explicitly and directly provides the Company's performance regarding its infrastructure replacement programs.
11-14	Infrastructure Replacement	2	32	The Company should develop a methodology to maintain a listing of the individual services replaced as part of its bare steel service replacement program.
11-15	Other Filed Information	1	36	To ensure that National Fuel is reporting consistent and accurate figures to its regulators, the Company should attempt to agree the metrics that it reports for both the US DOT Annual Report and to the NYSPSC. The Company should reconcile and investigate any differences between these two reports prior to submitting the reports to ensure that any differences between the metrics it is reporting to its regulators are appropriate.

National Fuel Gas Distribution Corporation				
Chapter 11		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
11-1	Internal Controls	1	2	National Fuel provided us with a Customer Service Performance Indicators Manual that is dated October 2012. This manual should be reviewed and updated at least on an annual basis and as necessary.
11-2	Internal Controls	2	2	National Fuel should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC.
11-3	Internal Controls	3	2	National Fuel should conduct an audit of the customer service metrics on a periodic basis. The internal audit should focus on the internal control issues summarized in this section, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.
11-4	New Service Installations	1	8	Although the manual adjustments do not create a significant difference in the data for this metric, Overland recommends that National Fuel document with a detailed explanation the reason for each time a last hold date or installation date is changed from the SVLN5520 report.
11-5	Appointments	1	12	Overland recommends that National Fuel retain the individual appointment data that is aggregated in the data shown in the KWON0905-3 Monthly Work Performance Against Commitment report.
11-6	Appointments	2	12	Overland recommends that National Fuel use one methodology to calculate appointments data for both PI and CSPI purposes and document in detail how the CIS processes the raw data into the reportable data that is submitted to the NYSPSC via the PI and CSPI reports.
11-7	Adjusted Bills	1	18	National Fuel should retain a copy of the record by record billing detail for total bills and adjusted bills for audit documentation purposes.
11-8	Telephone Answer Response	1	22	Overland recommends that National Fuel use the data for total calls answered for Item 3c in the PI report instead of total incoming calls received.
11-9	Telephone Answer Response	2	22	Overland recommends that National Fuel retain the monthly Application Call Volume Daily Reports for documentation purposes.
11-10	Non-Emergency Service Response	1	26	Overland recommends that National Fuel retain the individual work order data that is aggregated in the data shown in the KWON0905-3 Monthly Work Performance Against Commitment report.
11-11	Customer Complaints to the NYSPSC	1	32	National Fuel should each month reconcile its number of complaints shown in its internal tracking spreadsheet (the utility's supporting documentation) to the number of complaints used in the calculation of the PSC complaint rate that is maintained at the NYSPSC.
11-12	Customer Satisfaction	1	37	Since the PI report is submitted to the NYSPSC on a monthly basis, the data in the PI report should reflect the customer satisfaction survey responses for that particular month only, not three months of responses that could be stale by up to two months.
11-13	Customer Satisfaction	2	37	National Fuel should show in the quarterly CSPI filings each of the three month's customer satisfaction percentage (for both residential and non-residential, separately) as well as the weighted average customer satisfaction percentage for the three month period.

Electric Reliability				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-1	Audit Recommendations Applicable to All Utilities	1	4	Overland recommends the NYSDPS Staff host a workshop for the New York utilities where the utilities and the Staff can come to a consensus on how the electric reliability metrics can be enhanced and/or improved. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of determining major event exclusions.
1-2	Audit Recommendations Applicable to All Utilities	2	4	The NYSPSC should review the electric reliability metrics submitted to the Commission by the six utilities participating in this audit at least once every 10 years. Once any changes in the electric reliability metrics have been established from the workshop mentioned in Recommendation #1, then the Commission should review or audit the electric reliability data periodically to determine if any industry changes or changes at the individual utilities warrant changing the metrics or the methodology used to report the metrics to the Commission.
1-3	Audit Recommendations Applicable to All Utilities	3	4	Each utility should periodically audit the internal controls, procedures, and electric reliability metrics submitted to the Commission. The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.
1-4	Audit Recommendations Applicable to All Utilities	4	5	Each utility should ensure that information systems contain data fields large enough to adequately describe relevant outage parameters and justification for data record changes. Each utility should also ensure adequate training is included for all staff that has a role in outage reporting to properly and completely provide this information.
1-5	Audit Recommendations Applicable to All Utilities	5	5	Each utility should ensure an employee, other than the metric preparer, is responsible for reviewing the accuracy and completeness of electric reliability metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the electric reliability metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
Chapter 2		**Comparison Chapter**		
2-1	Reliability Data Collection and Analysis Process	1	2	Ensure procedures require a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made without the need to refer to a subject matter expert.
2-2	Reliability Data Collection and Analysis Process	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
2-3	Audits of Reliability Data and Process	1	2	The utilities should perform periodic internal audits of electric reliability metrics, with scope and objectives similar to this audit. The frequency of these audits should be based on risk, changes or modifications to supporting systems or outage recording and reporting procedures.
2-4	Data Review Levels	1	3	O&R should consider adding an arm-length additional data accuracy review, possibly at the Control Center level.
2-5	Data Trace Analysis	1	4	Ensure that personnel who are charged with collecting, validating, and analyzing outage data are trained to thoroughly document the outages and any changes to the incident record during the collection or validation process.
2-6	Utility Suggested Metrics	1	7	All six electric utilities should consider requesting the NYSPSC to agree on eliminating district reporting requirements.
2-7	Utility Suggested Metrics	2	7	All six electric utilities should consider requesting the NYSPSC to include SAIDI as a more meaningful outage duration metric for the six utilities.
2-8	Utility Suggested Metrics	3	7	All six electric utilities should evaluate if the 2.5 β method would be of value to them in managing major event and storm exclusions in comparison to the NYSPSC exclusion criteria. If it appears valuable, each utility should consider requesting the NYSPSC to consider adopting the IEEE 2.5 β method for event exclusions.
2-9	Training	1	7	Ensure that training programs, especially for operations and call center staff, include emphasis on providing a complete explanation of any record modifications such that an experienced reader may fully understand the situation and the changes made to reliability data records in various related systems, without the need to refer to a subject matter expert.
2-10	RPM Performance	1	8	As noted earlier in the section titled Utility Suggested Metrics, consider providing expanded heat and weather anomaly exclusions to avoid penalties for events outside the norm.

Gas Safety				
Chapter 1		Executive Summary		
Index	Section Title	Rec #	Page #	Recommendation
1-1	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	1	6	Overland recommends the NYSPSC Staff host a workshop for the New York utilities where the utilities and Staff can come to a consensus on how the gas safety metrics are to be calculated and what they should measure. It has been over 10 years since the Staff last held a collaborative session with the utilities to address the content and calculation of gas safety metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing gas safety data and calculating metrics that can be utilized by all nine utilities. For example, one item that should be addressed in this workshop is whether it is appropriate for companies to group leaks in close proximity to each other when reporting leak backlog performance metrics. Once a decision has been made regarding this and other comparability matters, updated guidance should be provided to all utilities. This would improve the comparability of the Annual Performance Measures report and allow it to be a more useful benchmarking tool.
1-2	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	2	6	The New York utilities and the NYSPSC should develop a formal protocol to address questions regarding the calculation of gas safety data. During the audit we identified several instances where the methodologies that the New York utilities used to derive their gas safety statistics varied among the different utilities. In some cases, this is because the utilities did not strictly adhere to guidance provided by the NYSPSC. In other cases, the differences were due to circumstances not explicitly addressed in NYSPSC guidance. It is clearly not possible for the NYSPSC to provide explicit guidance regarding every possible scenario. As such, the NYSPSC, in conjunction with the New York utilities, should develop a formal protocol to address questions regarding the calculation of gas safety data. Key elements of these procedures include the following: • The New York utilities should be expected to address any questions regarding the NYSPSC Staff's intent regarding the gas metrics through this formal process. Stated another way, rather than speculate what it believes the NYSPSC Staff's position would be, each New York utility should use this formal process to resolve any areas of uncertainty regarding the calculation of the gas safety data. • Any inquiries made to NYSPSC Staff during this process should be made available to each utility. This will allow all New York utilities to benefit from this process, and it will also help ensure that all utilities are using the same methodology for calculating their metrics – a key component in ensuring comparability amongst utilities.
1-3	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	3	6	The NYSPSC should periodically review the gas safety metrics submitted to the Commission by the utilities. Once a standardized method of reporting the gas safety metrics has been established from the workshop mentioned in recommendation #1, then the Commission should review or audit the gas safety data periodically to determine if any industry changes or changes at the individual utilities warrant changing the gas safety metrics or methodology used to report the metrics to the Commission.
1-4	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	4	7	Each utility should periodically audit the internal controls, procedures, and gas safety metrics that are submitted to the Commission. The utilities should perform periodic internal audits of the gas safety metrics, with scope and objectives similar to this audit at least once every five years.
1-5	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	5	7	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting gas safety data to the NYSPSC. The manual should describe the source of the gas safety data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the data is calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.
1-6	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	6	7	In conjunction with NYSPSC Staff, each New York utility should develop a definition for what constitutes "leak-prone" materials for purposes of its infrastructure replacement program. During the audit, we found that the criteria regarding materials that could be categorized as "leak-prone" for purposes of the New York utilities' infrastructure replacement program varied amongst the different utilities. In some cases, the materials were defined in the utilities' individual rate orders. In other cases, utilities developed their own definition of what materials could be categorized as "leak-prone." Each utility should have clear, written guidance regarding the criteria it uses to classify material as "leak-prone." This written guidance should be provided to NYSPSC Staff when the utility submits the results of its performance for the infrastructure replacement program.
1-7	Audit Recommendations Applicable to the Commission, NYSPSC Staff, and All Utilities	7	7	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of gas safety metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the gas safety metric data that is submitted to the NYSPSC. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
1-8	Recommended Additions to the Gas Safety Data Filing Requirements	1	7	Time duration graphs should be filed in conjunction with the utilities' submission of their emergency response metrics. We recommend that each utility provide the NYSPSC with a graphical depiction of its emergency response time duration distribution. This graph should be populated with the data that was used to calculate the Company's emergency response performance metrics. Any unusual patterns in this graph should be explained in detail.

Gas Safety				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-9	Recommended Additions to the Gas Safety Data Filing Requirements	2	8	Damage prevention statistics should be enhanced to provide the NYSPSC greater clarity regarding the root causes of the damages. Damage statistics reported to the NYSPSC are classified into one of four categories: Mismarks, Company and Company Contractors, Third Party Negligence, and No-Calls. While these categories are generally sufficient, requiring the utilities to provide a more detailed view would provide the NYSPSC with enhanced clarity regarding how to compare the utilities amongst their peers. Specifically, we would recommend dividing the "Mismarks" damage category into two subcomponents: "Mismarks Due to Mapping Error" and "Mismarks Due to Locator Error." All utilities maintain this information for internal reporting purposes, so it will require little if any incremental reporting effort on behalf of the utilities. This additional information will allow NYSPSC Staff to more easily identify the causes of mismarks. The "Company and Company Contractors" damage category should also be split into two subcomponents: "Company and Company Contractors Damages Caused by Gas Utility Excavation" and "Company and Company Contractor Damages Caused by Electric Utility Excavation." As stated previously, the Company and Company Contractors Damages are biased against combination utilities because damage to the utility's infrastructure caused by the electric utility's excavation is included in this metric. Separating the Company and Company Contractors damage category as discussed above will allow the NYSPSC to compare the performance of combination utilities and gas-only utilities in a more equitable manner.
1-10	Recommended Additions to the Gas Safety Data Filing Requirements	3	8	Each utility should be required to file a letter with the NYSPSC that explicitly and directly provides a comparison of the utility's performance with its minimum performance standards set forth in the utility's individual rate plan. During our audit, we found instances in which a utility's performance with regard to its infrastructure replacement requirements was not directly provided to the NYSPSC. To avoid this issue in the future, each utility should be required to file a letter that provides a direct and explicit comparison of the utility's minimum standards (as ordered in the utility's most recent rate case) versus its actual performance (as calculated by the utility).
Chapter 2		**Comparison Chapter**		
2-1	Damage Prevention	1	3	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include coating damages in their reported damage prevention performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-2	Damage Prevention	2	3	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for unreported damages discovered in the current year. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-3	Damage Prevention	3	3	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to account for damages to gas facilities in the process of being replaced. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-4	Damage Prevention	4	3	The utilities and the NYSPSC should either – 1) confirm that the classification of damages attributed to work done on behalf of the local electric utility is intended to be different between combination utilities and gas-only utilities; if this is the case, that fact should be disclosed in the Gas Safety Performance Measures Report, or 2) agree to always include damages attributed to work done on behalf of the electric utility to damages due to excavator error. In that latter case, to the extent that any gas-only utility company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-5	Damage Prevention	5	3	Each company should submit to the NYSPSC a detailed description of the types of activity it includes or excludes from its one-call ticket counts used in the computation of damage prevention performance metrics. For companies that use more than one one-call system, this exercise should be performed for both systems. Using these descriptions as a guide, the utilities and the NYSPSC should agree on the inclusion or exclusion of each different type of one-call system activity for purposes of computing performance metrics. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-6	Emergency Response	1	10	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and exclude emergency calls made by operator-qualified personnel during normal business hours from their reported emergency response performance metrics on a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.

Gas Safety				
Chapter 2		**Comparison Chapter**		
Index	Section Title	Rec #	Page #	Recommendation
2-7	Emergency Response	2	10	Companies should follow the guidelines agreed to by all utilities and the NYSPSC and include emergency calls in their reported emergency response performance metrics involving an initial report of a gas-related or unidentified odor and subsequently determined to be something other than natural gas. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-8	Emergency Response	3	11	Companies should include emergency calls in their reported emergency response performance metrics involving an initial report of carbon monoxide and subsequently determined to be something else. This should be done on both a prospective and retrospective basis. To the extent that a company's prior year results are not corrected in the next Gas Safety Performance Measures Report, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-9	Leak Management	1	15	The utilities and NYSPSC should conduct a workshop that includes a thorough discussion with the purpose of determining the cause of the wide variation in total leak backlogs reported by various New York utilities to the NYSPSC. Differences in compiling the leak backlog data should be identified, and an agreement should be reached on how the data should be quantified by all utilities on a prospective basis. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
2-10	Leak Management	2	15	On a prospective basis, the utilities and the NYSPSC should agree on a standard approach to the grouping of leaks for purposes of reporting them in leak management performance metrics (e.g., year-end leak backlogs). This agreement should address both the grouping of leaks in close proximity to each other and leaks that are "duped" with existing unrepaired leaks. To the extent that any company's prior year results are not retrospectively restated in the next Gas Safety Performance Measures Report to conform to this agreement, a prominent disclosure should be made indicating that they were prepared on a basis different from the current year.
Customer Service				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-1	Audit Recommendations Applicable to All Utilities	1	10	We recommend the NYSDPS Staff host a workshop for the New York utilities to enable the utilities and the Staff to reach a consensus on how customer service metrics should be calculated and what they should measure. It has been 20 years since the Staff last held a collaborative session with the utilities that produced written guidance addressing the content and calculation of customer service metrics. We recommend the workshop begin with a discussion of the results of this audit and set the objective, within the limits of existing information systems and technology, of implementing standardized methods for processing customer service data and calculating metrics that can be utilized by all nine utilities. This would improve the comparability of the PI Report and allow it to be a more useful benchmarking tool
1-2	Audit Recommendations Applicable to All Utilities	2	10	The NYSPSC should approve changes to CSPI and PI calculation methods and procedures before they are implemented. As discussed above, we found two examples in which utilities changed the method they had been using to calculate customer service metrics as soon as they were established as CSPIs. In both examples, the historical baselines upon which minimum performance thresholds were established were made irrelevant by the change in calculation.
1-3	Audit Recommendations Applicable to All Utilities	3	10	The NYSPSC should periodically audit the customer service metrics that are submitted to the Commission by the nine New York utilities. Once a standardized method of reporting the customer service metrics has been established from the workshop mentioned in recommendation #1, we recommend the Commission review or audit the customer metrics data periodically (at least once every 10 years) to determine whether industry changes or changes at the individual utilities warrant
1-4	Audit Recommendations Applicable to All Utilities	4	10	Each utility should periodically audit the internal controls, procedures and customer service metrics that are submitted to the Commission in the PI and CSPI Reports. The utilities should perform periodic internal audits of PI and CSPI metrics, with scope and objectives similar to this audit. We believe five years is a reasonable time period between such audits.
1-5	Audit Recommendations Applicable to All Utilities	5	10	Each utility should develop and maintain a written manual fully documenting the processes of gathering, calculating, and reporting customer service data to the NYSPSC. The manual should describe the source of the customer service data, how the data to be reported is obtained (i.e., what data is included or excluded in the metric), how the metric are calculated, who is responsible for submitting the data to the NYSPSC, and who is responsible for reviewing the data before it is reported to the NYSPSC.

Customer Service				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec #	Page #	Recommendation
1-6	Audit Recommendations Applicable to All Utilities	6	11	Each utility should assign an employee, other than the metric preparer, to be responsible for reviewing the accuracy and completeness of customer service metrics before they are reported to the NYSPSC. An employee from each utility should be designated as the subject matter expert for the customer service metric data that is submitted to the NYSPSC through the PI and CSPI Reports. This employee should be responsible for ensuring the accuracy of all manually-prepared data before it is reported to the NYSPSC.
Chapter 2		**Comparison Chapter**		
2-1	Internal Controls	1	2	Because customer service metrics and their supporting documentation are subject to regulatory review, the utilities should be required to maintain for at least 10 years (in electronic format) all supporting documentation, including source system data, for metrics submitted in PI and CSPI reports.
2-2	Internal Controls	2	3	Each utility should create a comprehensive procedures manual that governs how customer service metrics will be compiled and reported to the NYSPSC. This manual should be updated at least annually and as necessary to account for changes. It should contain the following: • Definitions of the components of each metric (for example, what work orders are included in the non-emergency service response metrics). • The information systems that are the direct sources for the data for each metric. • The electronic and manual processes for obtaining the components of each metric. • The process for calculating the components to yield the metric that is to be reported to the NYSPSC. • The process for transferring the data and any calculations from the information system to the Excel spreadsheets used to track the performance indicators and ultimately to the PI report. • The process of reviewing the data that is to be sent to the NYSPSC. • The personnel responsible for gathering the source data, calculating and manipulating the data, preparing the internal customer service metric spreadsheets, reviewing the internal customer service metric spreadsheets, and sending the metrics to the NYSPSC. The procedures manual should be updated on at least an annual basis and also as necessary. As it prepares the procedures manual, each utility should conduct an analysis to ensure that it understands what its metrics contain and how they are calculated.
2-3	Internal Controls	3	3	Among the procedures that should be implemented and documented in the manual recommended above is a requirement that all PI and CSPI reports, and all manually prepared supporting spreadsheets be checked for mathematical accuracy and reasonableness by someone other than the data preparer before reports are filed with the NYSPSC. The reviewer should sign off on their review attesting to having checked the reports for accuracy. We believe this will significantly reduce the likelihood of math and number transposition errors in the metrics reported to the NYSPSC.
2-4	Internal Controls	4	3	The internal audit department at each utility should conduct an audit or review of the customer service performance metrics that are reported to the NYSPSC through the PI and CSPI reports approximately every five years. The objectives of an internal audit of a utility's customer service performance measures should closely mirror the objectives of the NYSPSC audit Overland performed.
2-23	Customer Satisfaction Surveys	1	27	For the utilities using vendors to perform customer satisfaction surveys, we recommend the vendor and utility develop a Statement of Work for review by the NYSPSC that documents survey procedures in detail, including the following: • Deliverables to be produced, • Frequency and number of surveys to be completed, • Methods used to select customers, • How the surveys are conducted, • How results data is processed and managed, • Any authorization or requirement to exclude completed or partially-completed survey responses from the results provided to the utility as well as the rules and protocols for excluding the responses.

Consolidated Edison Company				
Chapter 3		**Electric Reliability**		
Index	Section Title	Rec #	Page #	Recommendation
3-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
3-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
3-3	Other Reliability- Related Metrics Used	1	29	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 3		**Gas Safety**		
3-1	Internal Controls	1	2	Con Edison should program its systems to measure its emergency response times to the second, and the reporting of emergency response time metrics should be calculated in compliance with NYSPSC intent.
3-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
3-3	Internal Controls	3	2	Con Edison should assign a person or persons the responsibility of compiling the data used in the company's gas safety performance metrics and of reviewing it for completeness and accuracy. Ideally, these duties should be separated so that no one person is both preparing and reviewing his or her own work.
3-4	Internal Controls	4	2	We recommend Con Edison include an audit of the gas safety performance metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
3-5	Damage Prevention	1	11	Con Edison should develop a robust set of root causes that can be assigned to all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.
3-6	Damage Prevention	2	11	Damage incident documentation should clearly indicate why reimbursement of damages caused by third parties is not being pursued.
3-7	Emergency Response	1	24	Con Edison should reevaluate its procedures for identifying emergencies reported by operator-qualified personnel so that they are properly excluded from future performance metrics.
3-8	Leak Management	1	33	Con Edison should define what constitutes a leak and include it in a prominent location in its written procedures.
3-9	Leak Management	2	33	Con Edison should maintain a detailed listing by leak of the workable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
3-10	Leak Management	3	33	Con Edison should implement its present plans to revise the methodology it uses to identify leaks to be included in its workable and total leak backlogs so that errors do not occur in the future. The company discovered omissions when preparing a roll-forward of the leak backlog by leak classification. At a minimum, that same procedure should be used as a check and balance of future preliminary results.
3-11	Infrastructure Replacement	1	41	Con Edison should maintain a detailed listing of leak-prone mains replaced during the year in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for cast iron and wrought iron main replaced. At a minimum, these detailed listings should specify the date the work was completed, the footage/mileage of main replaced, the composition of the main replaced, and any unique identifier associated with the main replacement.
3-12	Infrastructure Replacement	2	41	Con Edison should take the necessary steps to verify that all infrastructure replacement footages reported to the NYSPSC are supported by ECS input and other documentation completed in the field and that they qualify for inclusion in the metrics (e.g., main should be made of cast iron, wrought iron, or pre-1972-installed-unprotected steel).
3-13	Infrastructure Replacement	3	41	To the extent that Con Edison has multi-year infrastructure replacement requirements in the future, the company should make note of any updates it makes to prior year leak-prone pipe mileage in its annual filings with the Commission. The updated prior year quantities and the current year quantity should support the 3-year cumulative totals, and if they do not, a detailed explanation should be provided.
3-14	Other Filed Information	1	46	Con Edison should develop written, formal procedures detailing the compilation of the annual report filed with the USDOT and the NYSPSC. At a minimum, it should identify the major categories of data disclosed (e.g., inventory of mains and services, leak information, damage information, etc.) along with the department(s) responsible for providing this information and the underlying systems relied upon.

Consolidated Edison Company				
Chapter 3		**Gas Safety**		
Index	Section Title	Rec #	Page #	Recommendation
3-15	Other Filed Information	2	47	Con Edison should update Specification G-11843-5 to correct any errors (e.g., quarterly vs. monthly reporting as required by 16 NYCRR Part 255.825).
3-16	Benchmarking and Other Gas Safety Performance Metrics	1	51	Con Edison should document all relevant information discussed in future benchmarking sessions with both internal and external parties as it relates to gas safety. Agendas, hand-outs, reports, etc., should be collected and included with this documentation. Con Edison should designate a responsible party for maintaining this information.
Chapter 3		**Customer Service**		
3-1	Internal Controls	1	3	Con Edison should develop a complete written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics submitted to Staff and/or the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
3-2	Internal Controls	2	3	Con Edison should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics submitted to Staff or filed with the NYSPSC.
3-3	Internal Controls	3	3	Con Edison should document in its procedure the responsibility for someone other than the information preparers to check the completeness and accuracy of all customer service metrics before they are submitted to Staff or filed with the NYSPSC. As noted above, Con Edison states that it assigned this responsibility to two employees in February 2014.
3-4	Internal Controls	4	3	We recommend Con Edison include an audit of the customer service metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
3-33	Customer Satisfaction	3	58	Con Edison should review the process of coding and culling records from the Emergency Control System and make changes, as necessary, to provide survey vendor CRA with customer record files that accurately and consistently reflect the intended definition for electric and gas emergency callers. This may require changes in the codes used in the ECS to better target emergencies, as well as changes in the process of culling the files.

Orange and Rockland Utility				
Chapter 4		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
4-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
4-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
4-3	Internal Control over Systems and Processes	3	2	**See Electric Reliability Comparison Chapter Rec 2-4*
Chapter 4		**Gas Safety**		
4-1	Internal Controls	1	2	O&R should program its systems to measure its emergency response times to the nearest second, and the reporting of emergency response time metrics should be calculated in compliance with NYSPSC intent.
4-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
4-3	Internal Controls	3	2	O&R should assign a person or persons the responsibility of compiling the data used in the Company's gas safety performance metrics and of reviewing it for completeness and accuracy. Ideally, these duties should be separated so that no one person is both preparing and reviewing his or her own work.
4-4	Internal Controls	4	2	We recommend O&R include an audit of the gas safety performance metrics on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
4-5	Damage Prevention	1	9	O&R should develop a robust set of root causes for all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.

Orange and Rockland Utility				
Chapter 4		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
4-6	Damage Prevention	2	10	O&R should take steps to ensure that all damages to pipe coating are included in future damage prevention metrics reported to the Commission. At a minimum, this should include a thorough review of data from the Work Management System.
4-7	Damage Prevention	3	10	O&R should take steps to ensure that one-call tickets from counties other than Orange and Rockland counties are excluded from future damage prevention metrics reported to the Commission.
4-8	Emergency Response	1	23	The TRB system should be programmed to capture not only the instances in which customer-reported times and/or arrival times are changed by the Distribution Supervisor but also the specific changes made. Absent this, it is not possible to determine the impact that manually-entered times have on the reported metrics.
4-9	Emergency Response	2	24	O&R should reevaluate its procedures for identifying emergencies occurring in other jurisdictions so that incidents arising in New Jersey and Pennsylvania are not included in the computation of New York emergency response performance metrics on a prospective basis.
4-10	Emergency Response	3	24	In light of the inclusion of 157 zero-response time calls in 2013 emergency response performance metrics, O&R should develop specific written procedures to identify and exclude such emergencies from performance metrics reported in the future.
4-11	Emergency Response	4	24	O&R should program its systems to exclude any emergencies in which the computed emergency response time duration is less than zero. To the extent this cannot be done, management review should be performed to identify and remove these incidents from inclusion in the calculation of performance metrics.
4-12	Leak Management	1	33	O&R should maintain a detailed listing by leak of the workable leak backlog as of year-end in electronic format that supports the quantities it reports to the State. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak. The classification assigned to each leak in this detailed listing should match what the Company used in reporting its leak backlogs to the NYSPSC.
4-13	Leak Management	2	33	O&R should maintain timely, unambiguous documentation supporting the classification of its leaks as prescribed by the State of New York.
4-14	Leak Management	3	33	O&R should proceed with its plan to run its system-generated leak backlog reports at midnight at the end of the day on December 31. This will provide a more precise measurement of actual leak backlogs than the historical cut-off that occurred in mid-afternoon on the last day of the calendar year.
4-15	Leak Management	4	33	O&R should take the necessary steps to ensure that all leaks are captured in the year-end leak backlogs (total and workable) and reported to the NYSPSC. This should include, but not be limited to, a thorough review of all leaks repaired after year-end to determine if they qualified for inclusion in the year-end leak backlogs.
4-16	Infrastructure Replacement	1	40	O&R should begin filing a letter with the NYSPSC that explicitly and directly provides the Company's performance regarding its infrastructure replacement program. The quantity of wrought iron main included in cast iron and total main replacements should be disclosed.
4-17	Infrastructure Replacement	2	40	O&R should maintain basic supporting data for its infrastructure replacement performance metrics in electronic format. The Company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future.
4-18	Infrastructure Replacement	3	40	O&R should reevaluate its procedures for identifying infrastructure replacements occurring in other jurisdictions so that projects located in Pennsylvania are not included in the computation of New York infrastructure replacement performance metrics on a prospective basis.
4-19	Infrastructure Replacement	4	40	O&R should take steps to ensure that it is reporting the latest, most accurate footages of qualifying main replacements to the NYSPSC. To the extent that O&R updates any preliminary data previously submitted to the NYSPSC, timely, amended filings of the performance metric should be sent to the NYSPSC and a thorough explanation for the change should be included with the filed amendment.
4-20	Other Filed Information	1	45	O&R should develop written, formal procedures detailing the compilation of annual reports filed with the USDOT and the NYSPSC. At a minimum, it should identify the major categories of data disclosed (e.g., inventory of mains and services, leak information, damage information, etc.) along with the department(s) responsible for providing this information and the underlying systems relied upon.
4-21	Other Filed Information	2	45	To ensure that O&R is reporting consistent and accurate figures to its regulators, the Company should compare the data that it reports to the USDOT Annual Report and the NYSPSC and ensure agreement. The Company should investigate any differences between these two reports prior to submitting them.
4-22	Other Filed Information	3	45	O&R should develop written, formal procedures detailing the logging and analysis of gas emergency reports as required by 16 NYCRR Part 255.825.
4-23	Other Filed Information	4	45	O&R should develop written, formal procedures detailing the reporting of unscheduled interruptions of service as required by 16 NYCRR 232.2.
4-24	Other Filed Information	5	45	O&R should report the approximate number of consumers affected by the interruption of service for each incident listed in its weekly reports filed with the NYSPSC as required by 16 NYCRR 232.2.

Orange and Rockland Utility				
Chapter 4		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
4-25	Benchmarking and Other Gas Safety Performance Metrics	1	50	O&R should develop a robust set of gas safety performance metrics exclusive of those reported to the NYSPSC. Participation in discussions of benchmarking and best practices with other utilities should be used as an opportunity to identify the most useful metrics.
Chapter 4		**Customer Service**		
4-1	Internal Controls	1	2	O&R should enhance its existing two-page written procedure so that it fully documents the regulatory basis, data compilation processes, source systems for data, calculation methods and assumptions and employee responsibilities associated with customer service metrics reported to the NYSPSC. The procedure should specifically indicate, for each metric, that the source data is based on New York operations and excludes data for operations in New Jersey and Pennsylvania. More specific information concerning what the procedure should contain for each metric category is included in the discussions below.
4-2	Internal Controls	2	2	O&R should implement a procedure to ensure that supporting data from the information systems that generate data are prepared and maintained for all categories of customer service metrics reported to the NYSPSC. Supporting data should be maintained electronically for the systems in which data originates (e.g. CIMS, WMS, and Itron FCS). A manually-prepared spreadsheet summarizing data compiled from these systems, by itself, does not constitute a sufficient audit trail. The original data itself should be saved and maintained as support for the metrics.
4-3	Internal Controls	3	3	O&R should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
4-4	Internal Controls	4	3	We recommend Consolidated Edison conduct an audit of O&R's customer service metrics reported to the NYSPSC on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.

Niagara Mohawk Power Corporation				
Chapter 5		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
5-1	Internal Control over Systems and Processes	1	3	**See Electric Reliability Comparison Chapter Rec 2-1*
5-2	Internal Control over Systems and Processes	2	3	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
5-3	Other Reliability-Related Metrics Used	1	19	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 5		**Gas Safety**		
5-1	Internal Controls	1	2	NiMo should program its systems to group and report emergency response time durations in compliance with PSC intent.
5-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
5-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.
5-4	Internal Controls	4	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.
5-5	Damage Prevention	1	10	NiMo should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
5-6	Damage Prevention	2	10	Root causes should be consistently mapped to the same PSC classification by all National Grid New York utilities.
5-7	Damage Prevention	3	10	NiMo should establish a new root cause for incidents involving the marking and excavation by company crews that results in a damage to underground pipe. This new root cause should be mapped to the PSC classification attributing the damage to Company and Company Contractors.
5-8	Leak Management	1	30	NiMo should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.

Niagara Mohawk Power Corporation				
Chapter 5		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
5-9	Infrastructure Replacement	1	36	NiMo should maintain basic, supporting data for its infrastructure replacement performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. Systems that become non-operational should not serve as a rationalization for filing unreliable information with the PSC.
5-10	Other Filed Information	1	41	NiMo should amend its PSC accident notification procedures to specify all incidents that are to be disclosed to the PSC.
5-11	Other Filed Information	2	41	NiMo's written accident and interruption notifications to the PSC should provide a more complete chronological sequence of events. At a minimum, the company should specify the time it was notified of the incident, the time it completed its repairs, and the time the PSC was telephonically notified.
5-12	Other Filed Information	3	41	NiMo should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 5		**Customer Service**		
5-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
5-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
5-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
5-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
5-22	Customer Satisfaction	1	49	NMPC should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor ISA. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to NMPC, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.

KeySpan New York				
Chapter 6		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
6-1	Internal Controls	1	2	KEDNY should program its systems to group and report emergency response time durations in compliance with PSC intent.
6-2	Internal Controls	2	2	**See Gas Safety Executive Summary Rec 1-5*
6-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.
6-4	Internal Controls	4	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
6-5	Damage Prevention	1	10	KEDNY should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
6-6	Damage Prevention	2	10	If KEDNY cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC.
6-7	Damage Prevention	3	11	At a minimum, support for damages not attributed to no-calls should include proof that a one-call ticket was requested and locate action taken.

KeySpan New York				
Chapter 6		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
6-8	Damage Prevention	4	11	The company should be able to produce evidence of a one-call ticket for any damage attributed to excavator error, company and company contractors, or mismarks. Otherwise, compelling evidence should be provided that demonstrates that a different root cause was the grounds for the damage incurred.
6-9	Emergency Response	1	22	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDNY should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors.
6-10	Emergency Response	2	22	KEDNY should program its systems to display and properly calculate the time durations for emergency response purposes to equal the difference between the on-site arrival time of a CMS technician and the receipt time of a reported emergency.
6-11	Emergency Response	3	22	KEDNY should take steps to ensure that legitimate emergency work orders are not improperly excluded from its performance metrics in the future.
6-12	Leak Management	1	34	KEDNY should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
6-13	Infrastructure Replacement	1	41	KEDNY should maintain a detailed listing by work order number of the leak-prone pipe it replaced in the calendar year in electronic format that supports the quantities it reports to the state. At a minimum, these detailed listings should specify the date the work order was completed, the composition of the pipe replaced and the footage of pipe replaced.
6-14	Other Filed Information	1	45	KEDNY should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 6		**Customer Service**		
6-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by Niagara Mohawk, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
6-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, is prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
6-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
6-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
6-5	Internal Controls	5	3	As part of an internal audit of KEDNY's customer service metrics, National Grid should include analysis and testing of internal system controls over job order quantities and order initiation and completion dates maintained in the CRIS and Advantex MDSI systems.
6-28	Customer Satisfaction	3	48	To facilitate an audit trail, as long as KEDNY continues to use mail surveys, it should obtain from its vendor, and be required to retain files containing scanned copies of its completed mail surveys. The process of scanning and creating Adobe-based files for approximately 100 surveys should not require more than a few minutes of effort each month.

KeySpan Long Island				
Chapter 7		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
7-1	Internal Controls	1	2	Absent a suitable manual review of underlying data, the company should program its primary emergency response time system, MDSI Advantex, to identify unusual patterns in the underlying time distributions so as to bring them to management's attention.
7-2	Internal Controls	2	2	KEDLI should program its systems to measure its emergency response times to the second, and the reporting of emergency response time metrics should be calculated in compliance with PSC intent.
7-3	Internal Controls	3	2	**See Gas Safety Executive Summary Rec 1-5*
7-4	Internal Controls	4	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all gas safety performance metrics before they are filed with the NYSPSC.

KeySpan Long Island				
Chapter 7		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
7-5	Internal Controls	5	2	We recommend National Grid include an audit of the gas safety performance metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.
7-6	Damage Prevention	1	11	KEDLI should follow the guidelines agreed to by all utilities and the PSC and include coating damages in its reported damage prevention performance metrics.
7-7	Damage Prevention	2	11	If KEDLI cannot convince its one-call system to provide retransmitted ticket counts, it should develop a logical and transparent method to estimate them using the data that is available from its ticket management system. These retransmitted ticket quantities should be excluded from the one-call ticket counts employed in the damage prevention performance metrics filed with the PSC.
7-8	Emergency Response	1	22	KEDLI should maintain basic, supporting data for its emergency response performance metrics in electronic format. The company should take steps to protect the integrity of its electronic data so that it can be reproduced and queried in the future. System conversions and the development of new reporting capabilities should not render historical information irretrievable.
7-9	Emergency Response	2	22	Unless the PSC modifies its current guidance with respect to which incidents to include and which to exclude from emergency response performance metrics, KEDLI should include emergencies involving reports of odor in the air which are subsequently determined to be non-gas-related foreign odors.
7-10	Emergency Response	3	22	As part of its review of emergencies, all work orders with identical dates, times, and radio numbers should be assessed for duplication. Duplicate emergencies should then be excluded from the reported metrics filed with the PSC.
7-11	Leak Management	1	34	KEDLI should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format that supports the quantities it reports to the state. In addition, the same detail should be maintained for the total leak backlog as of year-end. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
7-12	Leak Management	2	34	Although we observed no specific issues with the leak classifications assigned, the company should consider programming its LMS to assign leak classifications based on objective measurements taken in the field to eliminate the possibility that readings could be misinterpreted or misapplied.
7-13	Leak Management	3	34	KEDLI should revise the methodology it uses to identify leaks to be included in its repairable leak backlog so that errors do not occur in the future. Overland discovered omissions from the backlog through a review of subsequent leak repairs. At a minimum, that same procedure should be used as a check and balance of the preliminary results.
7-14	Infrastructure Replacement	1	41	Data concerning the composition of mains and services associated with the infrastructure replacement program metrics should be verified and corrected in Maximo.
7-15	Other Filed Information	1	46	KEDLI should maintain a log of all telephonic notifications made to the NYSPSC concerning both accidents and interruptions. This log can be used as a control mechanism by the company to ensure that all subsequent, required written notifications are made.
Chapter 7		**Customer Service**		
7-1	Internal Controls	1	2	National Grid should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported by NMPC, KEDNY, and KEDLI to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
7-2	Internal Controls	2	2	National Grid should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC by each of its three New York utilities.
7-3	Internal Controls	3	2	National Grid should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
7-4	Internal Controls	4	2	National Grid performs internal audits on a seven year cycle. We recommend National Grid include an audit of the customer service metrics produced for all three National Grid utilities on a periodic basis, beginning with a point in time when the recommendations from this NYSPSC audit have been implemented. The internal audit should focus on the internal control issues summarized above, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy and of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.

KeySpan Long Island				
Chapter 7		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
7-18	Customer Satisfaction	1	38	KEDLI should verify that its survey contractor, Mktg. Inc., is meeting its target of completing 150 surveys per month. To the extent it is not, KEDLI should determine the reason. If necessary, KEDLI should provide Mktg. Inc. a larger average monthly file of recent residential customer contacts to enable the vendor to meet its stated target for survey completions. In 2013, KEDLI sent Mktg. Inc. files containing only about one-eighth of the customers available for survey.
7-19	Customer Satisfaction	2	38	KEDLI should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor Mktg. Inc. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey from the survey database sent back to KEDLI, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.

New York State Electric & Gas				
Chapter 6		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
6-1	Internal Control over Systems and Processes	1	3	**See Electric Reliability Comparison Chapter Rec 2-1*
6-2	Internal Control over Systems and Processes	2	3	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations
6-3	Other Reliability- Related Metrics Used	1	23	**See Electric Reliability Comparison Chapter Rec 2-7*
Chapter 8		**Gas Safety**		
8-1	Internal Controls	1	2	NYSEG should fully document its processes for compiling its gas safety data. This documentation should be written in a clear and concise manner. Due to the manual nature of these processes, a particular emphasis should be placed on ensuring that there is an adequate audit trail for any manual adjustments.
8-2	Internal Controls	2	2	NYSEG should develop written review procedures that can be performed by management to help ensure the completeness and accuracy of these metrics. These review procedures should be performed by someone other than the individual responsible for compiling the data.
8-3	Internal Controls	3	2	NYSEG should seek to remove unnecessary complexities from the processes it uses to compile its gas safety metrics. When appropriate, NYSEG should utilize available technology to automate the compiling of these metrics.
8-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in NYSEG's regular internal audit cycle.
8-5	Internal Controls	5	2	To help ensure that the methodology for compiling NYSEG's gas safety performance metric data is known, and can be applied by, at least two people within the organization, NYSEG should alternate these responsibilities among at least two individuals.
8-6	Damage Prevention	1	8	NYSEG's methodology for compiling its damage prevention metrics can potentially classify the same damage with multiple root causes. For purposes of reporting to the NYSPSC, NYSEG should categorize each damage with one of the four available root causes: mismarks, no-calls, third-party negligence, company & company contractors.
8-7	Damage Prevention	2	8	NYSEG should maintain a consistent level of field documentation for each damage incident. NYSEG should require paper damage reports to be completed in the field and NYSEG should maintain scanned copies of these reports as support for its reported damage classifications.
8-8	Damage Prevention	3	8	NYSEG should retain support for its one-call ticket figures. This would include both the original invoices from the one-call ticket providers and whatever adjustments NYSEG makes to those invoice amounts to derive its reported one-call ticket figures.
8-9	Emergency Response	1	18	NYSEG should either provide each of its emergency responders with a handheld device capable of recording his/her arrival time or institute a system wherein the arrival times of the emergency calls are recorded using the clock from SAP.

New York State Electric & Gas				
Chapter 8		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
8-10	Emergency Response	2	18	NYSEG should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should be excluded when they are initiated by qualified personnel and fire department calls, which should be included when they are related to gas odor emergencies.
8-11	Emergency Response	3	18	NYSEG should develop revised procedures for compiling the emergency response data that allow it to derive the emergency response metric reports with less manual processing, preferably by using SAP to generate the reports directly.
8-12	Emergency Response	4	18	Prior to submitting its emergency response metrics to the NYSPSC, NYSEG should perform a reconciliation of calls listed on its raw data (obtained from SAP) to the calls ultimately reported to the NYSPSC (obtained from NYSEG's intranet). NYSEG should review the list of reconciling items to ensure that any call exclusions are consistent with NYSPSC guidance.
8-13	Leak Management	1	26	As part of its review procedures for ensuring accurate leak repair data, NYSEG should perform a leak roll-forward, similar to what was performed during this audit, to help ensure that the leak backlog, as well as the components driving the leak backlog, are appropriately recorded.
8-14	Leak Management	2	26	Prior to reporting its leak backlog statistics to the NYSPSC, NYSEG should perform a review of subsequent leak repairs as a check to ensure that it has recorded all applicable leaks on its backlog.
8-15	Leak Management	3	26	NYSEG should attempt to generate its open leak reports directly from SAP, in order to replace the manual methodology currently used. If NYSEG determines that such functionality cannot be performed within SAP, NYSEG should consider using a different system to house its leak data.
8-16	Infrastructure Replacement	1	32	NYSEG should consistently and systematically document its basis for classifying a segment of main as "leak-prone" whenever material, such as protected steel, that is generally not considered leak-prone material, is included in the program.
8-17	Infrastructure Replacement	2	32	NYSEG should maintain job completion reports for all infrastructure replacement projects that contain the following: address/location of the leak-prone main being replaced; footage of main replaced; composition of main replaced; completion date of the project.
8-18	Infrastructure Replacement	3	32	NYSEG should develop a method to provide an adequate audit trail for its leak-prone service replacement program. At a minimum, this should allow for the tracing of the program's reported performance (i.e., the number of services replaced) to NYSEG's detailed listing.
8-19	Benchmarking and Other Gas Safety Performance Metrics	1	41	NYSEG should seek out opportunities to participate in benchmarking studies for its gas safety performance.
Chapter 8		**Customer Service**		
8-1	Internal Controls	1	2	NYSEG should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting customer service metrics reported to the NYSPSC. Specifics concerning the information the procedure should include are addressed in the discussions of individual categories of customer service metrics below.
8-2	Internal Controls	2	2	NYSEG should implement a procedure to ensure that all backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC for a period of time as agreed upon with the NYSPSC.
8-3	Internal Controls	3	2	NYSEG should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
8-4	Internal Controls	4	2	Overland recommends that NYSEG conducts an audit of all of the customer service metrics that are reportable to the NYSPSC on a periodic basis. Audits of the CSPIs were conducted in 2008 (with a follow up audit in 2009), 2011 and 2012. These audits should be expanded to include those metrics submitted in the PI report to the NYSPSC as well.

Rochester Gas and Electric				
Chapter 7		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
7-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
7-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
7-3	Internal Control over Systems and Processes	3	3	Ensure that operators clearly and legibly complete notes in the manual operator's log.
7-4	Other Reliability- Related Metrics Used	1	24	**See Electric Reliability Comparison Chapter Rec 2-7*

Rochester Gas and Electric				
Chapter 9		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
9-1	Internal Controls	1	2	RG&E should fully document its processes for compiling its gas safety data. This documentation should be written in a clear and concise manner. Due to the manual nature of these processes, a particular emphasis should be placed on ensuring that there is an adequate audit trail for any manual adjustments.
9-2	Internal Controls	2	2	RG&E should develop written review procedures that can be performed by management to help ensure the completeness and accuracy of these metrics. These review procedures should be performed by someone other than the individual responsible for compiling the data.
9-3	Internal Controls	3	2	RG&E should seek to remove unnecessary complexities from the processes it uses to compile its gas safety metrics. When appropriate, RG&E should utilize available technology to automate the compiling of these metrics.
9-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. A review of the completeness and accuracy of the gas safety performance measures should then be included in RG&E's regular internal audit cycle.
9-5	Internal Controls	5	2	To help ensure that the methodology for compiling RG&E's gas safety performance metric data is known, and can be applied by, at least two people within the organization, RG&E should cycle these responsibilities among at least two individuals.
9-6	Damage Prevention	1	8	RG&E's methodology for compiling its damage prevention metrics can potentially classify the same damage with multiple root causes. For purposes of reporting to the NYSPSC, RG&E should categorize each damage with one of the four available root causes (i.e., mismarks, no-calls, third-party negligence, company & company contractors).
9-7	Damage Prevention	2	8	RG&E should maintain a consistent level of documentation for recording a damage to its facilities. RG&E should require paper damage reports to be completed in the field and RG&E should maintain scanned copies of these reports as support for its reported damage classifications.
9-8	Emergency Response	1	17	RG&E should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should be excluded when they are initiated by qualified personnel and Fire Department calls, which should be included when they are related to gas odor emergencies.
9-9	Emergency Response	2	17	RG&E should develop revised procedures for compiling the emergency response data that allow it to derive the emergency response metric reports with less manual processing, preferably by using SAP to generate the reports directly.
9-10	Emergency Response	3	17	Prior to submitting its emergency response metrics to the NYSPSC, RG&E should perform a reconciliation of calls listed on its raw data (obtained from SAP) to the calls ultimately reported to the NYSPSC (obtained from RG&E's intranet). RG&E should review the list of reconciling items to ensure that any calls exclusions are consistent with NYSPSC guidance.
9-11	Leak Management	1	25	As part of its review procedures for ensuring accurate leak repair data, RG&E should perform a leak roll-forward, similar to what was performed during this audit, to help ensure that the leak backlog, as well as the components driving the leak backlog, are appropriately recorded.
9-12	Leak Management	2	25	Prior to reporting its leak backlog statistics to the NYSPSC, RG&E should perform a review of subsequent leak repairs as a check to ensure that it has recorded all applicable leaks on its backlog.
9-13	Leak Management	3	25	RG&E should attempt to generate its open leak reports directly from SAP, in order to replace the highly manual methodology currently used. If RG&E determines that such functionality cannot be performed within SAP, RG&E should consider using a different system to house its leak data.
9-14	Infrastructure Replacement	1	30	RG&E should consistently and systematically document its basis for classifying a segment of main as "leak-prone" whenever material, such as protected steel, that is generally not considered leak-prone material, is included in the program.
9-15	Infrastructure Replacement	2	30	RG&E should maintain job completion reports for all infrastructure replacement projects that contain, at a minimum: address/location of the leak-prone main being replaced; footage of main replaced; composition of main replaced; completion date of the project.
9-16	Benchmarking and Other Gas Safety Performance Metrics	1	36	RG&E should seek out opportunities to participate in benchmarking studies for its gas safety performance.
Chapter 9		**Customer Service**		
9-1	Internal Controls	1	2	RG&E should develop a written internal procedure that fully documents the regulatory basis, processes, methods and employee responsibilities associated with calculating and reporting customer service metrics reported to the NYSPSC. Specifics concerning the information the procedure should include are addressed in the discussions of individual categories of customer service metrics below.
9-2	Internal Controls	2	2	RG&E should implement a procedure to ensure that all backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC for a period of time as agreed upon with the NYSPSC.

Rochester Gas and Electric				
Chapter 9		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
9-3	Internal Controls	3	2	RG&E should assign someone other than the information preparers the task of checking the integrity and accuracy of all customer service metrics before they are filed with the NYSPSC.
9-4	Internal Controls	4	2	Overland recommends that RG&E conducts an audit of all of the customer service metrics that are reportable to the NYSPSC on a periodic basis. Audits of the CSPIs were conducted in 2008 (with a follow up audit in 2009), 2011 and 2012. These audits should be expanded to include those metrics submitted in the PI report to the NYSPSC as well.

Central Hudson Gas and Electric				
Chapter 8		**Electric Reliability**		
Index	Section Title	Rec. #	Page #	Recommendation
8-1	Internal Control over Systems and Processes	1	2	**See Electric Reliability Comparison Chapter Rec 2-1*
8-2	Internal Control over Systems and Processes	2	2	Ensure information systems that receive field and operator input contain adequate space to record comments and explanations.
8-3	Internal Control over Systems and Processes	3	2	Request NYSPSC to agree on eliminating district reporting requirements.
Chapter 10		**Gas Safety**		
10-1	Internal Controls	1	2	Central Hudson should develop written review procedures to be performed by management. Such reviews should include some indication (such as an electronic or physical signature) that provides an adequate audit trail to verify the review.
10-2	Internal Controls	2	2	Central Hudson should develop written procedures that provide adequate guidance regarding the compilation of its metrics. These procedures should include controls to ensure data reported to the NYSPSC represent actual (i.e., not estimated) figures, and that copies of the underlying data are maintained.
10-3	Internal Controls	3	2	Instead of truncating its emergency response times, Central Hudson should measure its emergency response times in accordance with NYSPSC requirements. If system constraints do not allow for such measurements, Central Hudson should manually adjust its times in order to make its best effort to conform to NYSPSC requirements.
10-4	Internal Controls	4	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in Central Hudson's regular internal audit cycle.
10-5	Damage Prevention	1	9	Central Hudson should develop a robust set of root causes for all NYSPSC classifications of damages. The list of these root causes should be incorporated into damage prevention documentation so that it is evident which root cause has been assigned to each damage incident.
10-6	Damage Prevention	2	9	In accordance with NYSPSC guidance, Central Hudson should use only new one-call tickets when calculating its damage prevention metrics.
10-7	Damage Prevention	3	9	Central Hudson should modify its damage report template to include an area for a physical or electronic reviewer sign-off. The damage reports should also include a listing of all possible root causes. This will help ensure that Central Hudson field personnel are classifying the damages in a consistent manner.
10-8	Emergency Response	1	17	Central Hudson should develop formal procedures regarding the synchronization of its electro-mechanical time stamp clocks with the clock in Central Hudson's CIS. The synchronization of the time stamp clocks to the CIS clock should be performed at a minimum weekly and preferably daily. This will help minimize the instances of inaccurately timed emergency response calls that would inevitably occur if two unsynchronized clocks were being used.
10-9	Emergency Response	2	17	Central Hudson should review all abnormally low response time calls (e.g., less than five minutes) to ensure that these do not represent employee-initiated calls.
10-10	Leak Management	1	23	Central Hudson should maintain a detailed listing by leak for its total leak backlog to support the quantities that it reports to the NYSPSC. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
10-11	Infrastructure Replacement	1	29	To help ensure expenditures for the leak-prone pipe program are accurately calculated Central Hudson should designate specific accounts to be used exclusively for this program. These accounts should be clearly labeled as "Leak-Prone" and all costs related to this program should be included in these accounts. Central Hudson should prohibit any expenditures unrelated to this program from being included in these accounts.
10-12	Infrastructure Replacement	2	30	Central Hudson should maintain the underlying data to support the figures that it reports for its infrastructure replacement programs.

Central Hudson Gas and Electric				
Chapter 10		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
10-1	Internal Controls	1	2	Central Hudson should develop a written internal procedure that fully documents the regulatory basis, processes, methods, and employee responsibilities associated with calculating and reporting customer service metrics reported by the utility to the NYSPSC. Specifics concerning the information the procedure should include are included in the discussions of individual categories of customer service metrics below.
10-2	Internal Controls	2	2	Central Hudson should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC.
10-3	Internal Controls	3	2	Central Hudson should conduct an audit of the customer service metrics on a periodic basis. The internal audit should focus on the internal control issues summarized in this section, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up-to-date.

National Fuel Gas Distribution Corporation				
Chapter 11		**Gas Safety**		
Index	Section Title	Rec. #	Page #	Recommendation
11-1	Internal Controls	1	2	**See Gas Safety Executive Summary Rec 1-5*
11-2	Internal Controls	2	2	National Fuel should program its systems to group and report emergency response time durations in compliance with NYSPSC intent.
11-3	Internal Controls	3	2	An internal audit focused on the completeness and accuracy of gas safety data should be performed after recommendations from this audit have been implemented. The completeness and accuracy of the gas safety performance measures should then be included in National Fuel's regular internal audit cycle.
11-4	Damage Prevention	1	8	National Fuel should follow NYSPSC guidance and include coating damages in its damage preventions statistics.
11-5	Emergency Response	1	16	National Fuel should track call data at a level sufficient to follow NYSPSC guidance regarding emergency call inclusions/exclusions. These include employee calls, which should generally be excluded when they are initiated by operator-qualified personnel.
11-6	Emergency Response	2	16	In light of the large amount of zero-minute and one-minute response times, National Fuel should develop specific written procedures to review and verify the accuracy of abnormally low emergency response times.
11-7	Emergency Response	3	16	The Company should follow NYSPSC Staff guidance and include all emergency calls not explicitly excluded. This includes calls made due to odorant spills.
11-8	Emergency Response	4	16	National Fuel should develop specific written review procedures to identify and exclude or adjust "negative" emergency response calls.
11-9	Emergency Response	5	16	National Fuel should maintain a record of any and all emergency response arrival times that are not system-generated. These would include both system-generated arrival times that are manually adjusted, as well as arrival times that are manually input. These records should include, at a minimum, order numbers, dates, system-generated arrival times (if applicable), and manually input arrival times.
11-10	Leak Management	1	26	National Fuel should maintain a detailed listing by leak of the repairable leak backlog as of year-end in electronic format. This listing should support the leak quantities it reports to the NYSPSC. In addition, the same detail should be maintained for the year-end total leak backlog. At a minimum, these detailed listings should specify the date each leak was discovered, the classification of each leak at year-end, and any unique identifier associated with a given leak.
11-11	Leak Management	2	26	National Fuel should develop a methodology to process its leak data on a more timely basis. The revised methodology should seek to ensure that leaks discovered/repaired in one period are recorded in the same period. As part of this revised methodology, National Fuel should develop a central electronic repository of its leak forms that can be efficiently accessed during the compilation process.
11-12	Leak Management	3	26	National Fuel should develop a leak backlog roll-forward prior to reporting its leak statistics to the NYSPSC in order to ensure that leak data "flow" logically and completely from one period to the next.
11-13	Infrastructure Replacement	1	32	National Fuel should begin filing a letter with the NYSPSC that explicitly and directly provides the Company's performance regarding its infrastructure replacement programs.
11-14	Infrastructure Replacement	2	32	The Company should develop a methodology to maintain a listing of the individual services replaced as part of its bare steel service replacement program.
11-15	Other Filed Information	1	36	To ensure that National Fuel is reporting consistent and accurate figures to its regulators, the Company should attempt to agree the metrics that it reports for both the US DOT Annual Report and to the NYSPSC. The Company should reconcile and investigate any differences between these two reports prior to submitting the reports to ensure that any differences between the metrics it is reporting to its regulators are appropriate.

National Fuel Gas Distribution Corporation				
Chapter 11		**Customer Service**		
Index	Section Title	Rec. #	Page #	Recommendation
11-1	Internal Controls	1	2	National Fuel provided us with a Customer Service Performance Indicators Manual that is dated October 2012. This manual should be reviewed and updated at least on an annual basis and as necessary.
11-2	Internal Controls	2	2	National Fuel should implement a procedure to ensure that backup details, including information from systems that originate data, are prepared and maintained for all categories of customer service metrics reported to the NYSPSC.
11-3	Internal Controls	3	2	National Fuel should conduct an audit of the customer service metrics on a periodic basis. The internal audit should focus on the internal control issues summarized in this section, and include reviews of the accuracy of metrics filed since the prior audit, the adequacy of detailed support for the metrics that have been filed, and the adequacy of written guidelines to be used in preparing the metrics, including whether such guidelines are up to date.

Customer Service				
Chapter 1		**Executive Summary**		
Index	Section Title	Rec. #	Page #	Recommendation
1-7	Recommended Additions to PI Reports	1	11	The PI Report should include the rate of appointments missed as PI metric 1c. We recommend calculating the rate of appointments missed by dividing appointments made (metric 1a) minus appointments kept (metric 1b) by appointments made. Adding the rate of appointments missed will provide a benchmark for comparing customer appointments performance among utilities of varying size. Adding a rate for appointments missed is better than adding a rate for appointments kept because "kept" rates tend to approach 100%. For example, comparing 98% and 99% "kept" rates is less meaningful than comparing a 1% "missed" rate with one that is double, at 2%.
1-8	Recommended Additions to PI Reports	2	11	The PI Report should include the rate of adjusted bills as PI metric 2c. The adjusted bills rate is calculated by dividing adjusted bills (metric 2b) by total bills issued (metric 2a). As with the appointments missed rate recommended above, adding the rate of adjusted bills to PI Reports will make it easier and more meaningful to compare adjusted bills data among reporting utilities of varying size. It should be noted that in order for the adjusted bill rate to be comparable among the utilities, it will be necessary for all of the utilities to calculate total bills and adjusted bills on an equivalent basis, as discussed and recommended in Chapter 2.
1-9	Recommended Additions to PI Reports	3	11	The PI Report should include the rate of estimated meters as PI metric 5c. To add context and enhance comparability among the utilities, we recommended adding the meter estimation rate to PI Reports. It should be calculated as total estimated meters (metric 5b) divided by total meters scheduled to be read (metric 5a).
1-10	Recommended Additions to PI Reports	4	11	The PI Report should include the percentage penetration of automated meters as PI metric 5d. All of the nine audited utilities except for National Fuel have implemented automated meter reading technology to varying degrees. The single most important contributor to a utility's "estimated read" rate is the lack of access to meters, either because they are indoors or otherwise inaccessible. Automated reading technology, which transmits actual reads via radio signal, largely mitigates the problem of estimates caused by a lack of meter access. As such, variances in the extent to which different utilities have automated meter reading helps explain differences in meter estimation rates. We found all of the utilities with automated read technology maintained statistics on its penetration within their service territories. To add context to estimated read metrics in PI Report category 5, we recommend adding automated read penetration (as a percentage of total meters) to PI Reports as metric 5d.
1-11	Recommended Additions to PI Reports	5	12	In addition to the rate of customer complaints to the PSC, PI metric category 6 should also include the inputs to the complaint rate calculation; specifically, the number of customers as of December 31 of the prior year and the number of SRS complaints added during the reporting month. We recommend the inputs to the rate of customer complaints be added as PI metrics 6b and 6c. In addition to providing the data used in the calculation of the reported customer complaint rate, reporting the number of customers as of the end of the prior year will provide a basis for assessing the reasonableness of other measures of utility size on the PI Report, including the number of bills issued and the number of meters scheduled for reading.
1-12	Recommended Additions to PI Reports	6	12	The PI Report should display the consumer complaint rate (PI metric 6a) with two significant digits. To improve the detail shown in the PI Report and the comparison among utilities, the PI Report should show one additional significant digit (e.g. 0.24) than the one significant digit it currently shows (e.g. 0.2).
Chapter 2		**Comparison Chapter**		
2-5	Appointments	1	4	We recommend appointments "made" and "kept" that are tracked for purposes of reporting to the NYSPSC include all customer meter and appliance work that requires the utility to meet the customer at the premises for access or other purposes. Appointments metrics should exclude customer meter work that does not require meeting the customer at the premises. For example, for jobs such as special (off-cycle) meter reads, a customer appointment should be counted when it is necessary to meet the customer to gain access, and it should be excluded from the appointments count when the reading can be completed without meeting the customer, for example, when the meter is outside and accessible.
2-6	Appointments	2	4	In addition to customer meter work, the utilities' electric and gas operations departments make appointments with customers to install and relocate service lines, and perform other work involving construction of facilities. Several of the utilities currently track subsets of customer-requested work performed by their operations departments. We recommend the NYPSC and the utilities determine whether the definition of an appointment should include appointments involving work performed by the operations departments. In evaluating whether to add such appointments to those in the category of meter and appliance work, consideration should be given to the following: • The processes through which appointments with operations departments are made are usually different than those for meter and appliance appointments. • The information systems and record-keeping procedures can be different from the systems and record-keeping for customer meter and appliance work. • Operations department appointments involving installation or relocation of facilities often require more complex and multiple customer contacts. In some cases, the utilities make appointments with contractors rather than with the utility customer that owns the property at which the facilities are installed.

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2-7	Appointments	3	5	To make the number of appointments kept (metric 1b) comparable across the utilities, the NYSPSC should require a uniform classification of "kept" or "missed" for each of the following scenarios and any other scenarios that are consistently encountered by all of the utilities: a. The customer was unavailable at the premise at the time the utility arrived, within the scheduled appointment window. b. The customer was unavailable at the premise at the time the utility arrived, before the scheduled appointment window. c. The customer was unavailable at the premises at the time the utility arrived, after the scheduled appointment window. d. The customer was available at the premises at the time the utility arrived, before the scheduled appointment window. e. The customer was available at the premises at the time the utility arrived, after the scheduled appointment window. f. The utility was unable to meet the customer at the premises, but the appointment was rescheduled for a different time or date.
2-8	Appointments	4	5	Any deviations from the uniform set of rules for appointments set by the NYSPSC due to limitations imposed by an individual utility's available technology, organization, or procedures should be documented in a footnote to the utility's PI Report.
2-9	Adjusted Bills	1	11	Total bills issued (PI metric 2a) should be quantified based on the total number of bills produced in the utility's customer information system and sent to customers within a given billing cycle. The metric should not be based on counts of meters, services (gas and electric) or customers. Total bills issued should include both paper and electronic bills sent to customers, and should include second bills (adjusted bills) sent within the same cycle. Bills for electric and gas service sent to the same customer at the same address should be counted as one bill, not two.
2-10	Adjusted Bills	2	11	Total bills adjusted (PI metric 2b) should be based on adjusted bills that are sent to customers within the current billing cycle (bills), not on the bills from prior cycles that were corrected by the adjustment. Although the NYSDPS Staff and the utilities may wish to discuss it, Overland believes that adjustments reflected on the next regular cycle bill (i.e., adjustments that do not produce a rebilling within the current cycle bill) should not be counted in metric 2b.
2-11	Adjusted Bills	3	11	Due to the subjectivity inherent in assigning the cause of adjustments between the utility and the customer, and the limited ability of utility bill coding processes to assign adjustment "cause" based on adjustment "type," the utilities should not be permitted to differentiate between "company caused" and "customer caused" billing adjustments when deciding whether to count the adjustment in PI metric 2b. All adjustments that result in a rebilling – a second bill being sent to a given customer within the same billing cycle - should be counted as an adjusted bill in the performance indicator. The NYSDPS Staff and the utilities should recognize that, for each utility, a somewhat indeterminate portion of total adjusted bills attributable to customers cannot be managed as easily as those that can be attributed to the utility.
2-12	Non-Emergency Service Response	1	18	The utilities should count all routine, customer-requested and customer-notified non-emergency service orders in PI metric 4a, service/meter orders. Orders counted in the metric should not be limited to arbitrary subsets of services requests chosen based on type.
2-13	Non-Emergency Service Response	2	18	The utilities and the NYSPSC should agree upon whether NESR metric 4a, service/meter orders, should include more extensive customer work usually performed by utility gas and electric operations departments, such as the installation or relocation of a gas service line. It should be noted that such work can involve multiple appointments and visits by the utility to a customer's premises. To the extent such orders are included in the PI Report metric, we recommend they be tracked separately from more routine service requests measured in PI metric 4a.
2-14	Non-Emergency Service Response	3	18	The utilities and the NYSPSC should agree on the events that begin and end the count of days associated with NESR orders. We recommend the "days clock" begin on the date the customer, his agent, a municipality or other third party either requests service or notifies the utility of a facility in need of possible service. We recommend the "days clock" end on the date service work is completed in the field.
2-15	Non-Emergency Service Response	4	18	In counting the number of days to complete NESR orders, the utilities should all count either calendar days or "work days." If "work days" are used, a standard definition should be developed which defines how Saturdays are treated (some utilities fulfill customer appointments on Saturdays) and which days are not counted because they are holidays. A majority of the utilities already use calendar days and there is no significant debate about how to count calendar days. As such, we recommend that the days count for NESR metrics 4b, 4e and 4h be based on calendar days.
2-16	Non-Emergency Service Response	5	19	The utilities and the NYSPSC should agree on a standard method for calculating the duration between the events that begin and end the days counted associated with NESR orders. For example, all of the utilities should count the same number of days when a service request is taken on a Tuesday and completed on a Wednesday. Back in 1995, the NYSDPS workshop on PI metrics recommended that "work completed on the same calendar day is considered completed in one day and work completed the next calendar day is counted as completed in two days, etc."

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Chapter 2		**Comparison Chapter**		
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2-17	Non-Emergency Service Response	6	19	The utilities and the NYSPSC should agree on whether or not to count NESR orders initiated by the utilities themselves, rather than by customers, municipalities and other third parties. If the purpose of the NESR metrics is to measure responsiveness to customer requests for routine, non-emergency service, we recommend that utility-initiated orders be identified and excluded from the metrics.
2-18	Non-Emergency Service Response	7	19	We recommend all utilities maintain source-system data for all NESR orders, including the type of order, the date created and the date completed in support of the NESR metrics reported to the NYSPSC. This is particularly important given that utilities were not always able to explain large variations NESR order data from one period to the next and were sometimes not able to provide any support for the orders included in the metrics reported to the NYSPSC.
2-19	Estimated Meters	1	23	Total estimated meters (metric 5b) should exclude on-cycle customer reads. On-cycle customer reads prevent the billing system from calculating an estimated bill, and should therefore be subtracted from the total number of meters not read by company Meter Readers in calculating total estimated meters.
2-20	Estimated Meters	2	23	The utilities should all archive and maintain source data from meter reading information systems (e.g., Itron FCS) as support for the data reported in PI Report metrics 5a and 5b. Source system support should also be maintained for data is derived from customer information systems, such as to support customer reads accounted for in calculating total estimated meters. Manually prepared spreadsheets alone do not constitute source document support for metrics reported in other manually prepared spreadsheets.
2-21	Customer Complaints to the NYSPSC	1	25	The customer count reported to the NYSPSC for the purpose of calculating the customer complaint rate for a given calendar year should be the customer total as of December 31 of the prior year. We recommend all utilities measure customers as of this date for purposes of reporting to the NYSPSC on PI Reports and for use in the NYSPSC's monthly reports on consumer complaint activity.
2-22	Customer Complaints to the NYSPSC	2	25	The utilities and the NYSPSC should agree on one method of counting customers. We recommend a count that matches, as closely as possible, the population of consumers who may register complaints with the NYSPSC. The count, we believe, that best meets this criterion is active customer accounts (including both residential and non-residential accounts), plus, when applicable, sub-metered non-account users. Inactive accounts (representing vacant customer premises) should probably be excluded from the count. The count should be based on accounts, not on customer bills. Whatever methodology is determined to be acceptable by the NYSPSC should be used by all of the nine utilities.
Chapter 3		**Consolidated Edison Company**		
3-5	Appointments	1	10	Con Edison should quantify and include in its PI Report appointments for all customer-driven work requiring employees to meet customers at their premises, rather than limiting reported appointments only to those for meter readings.
3-6	Appointments	2	10	Con Edison should include all scheduled customer appointments, whether completed or not completed, in PI Report metric 1a, appointments made.
3-7	Appointments	3	10	Con Edison should exclude from metric 1b, appointments kept, appointments in which the job is completed but utility arrival at the customer's premises is late (occurs after the scheduled appointment window).
3-8	Appointments	4	10	The question of whether canceled appointments and appointments in which jobs cannot be completed should be included or excluded from PI Report metrics (depending on whom the Company deems to have caused the incompletion), should be evaluated by the NYSPSC and applied on a uniform basis to all New York utilities. To the extent any utilities lack the ability or technology to objectively and accurately assign the cause of an incomplete appointment between themselves and customers, the NYSPSC should consider requiring all incomplete appointments to be included in metric 1a, appointments made, and excluded from metric 1b, appointments kept.
3-9	Appointments	5	10	Con Edison should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source in the work management system to the PI Report. • The specific logic used to classify appointments as "kept" or "not kept," including information on available appointment windows, how early and late arrivals and the availability of the customers on premises affects the classification, and procedures followed by employees in the field, including data entry, and how this affects the classification as "kept" or "not kept." • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
3-10	Adjusted Bills	1	17	For consistency with other New York utilities reporting billing performance indicators, and to permit the calculation of an accurate adjusted bill rate, Con Edison's PI metric 2a should report total bills issued, including adjusted bills, instead of reporting combined electric and gas meters. Because many accounts have electric as well as gas meters, a count of electric and gas meters significantly overstates the number of bills and artificially lowers the adjusted bill rate.

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Chapter 3		**Consolidated Edison Company**		
Index	Section Title	Rec. #	Page #	Recommendation
3-11	Adjusted Bills	2	18	Over a million of Con Edison's customers have both electric and gas service. In addition to counting "bills" instead of "meters," Con Edison should count bills issued to customers who have both electric and gas service as a single bill, not two bills.
3-12	Adjusted Bills	3	18	The quantities of bills issued in the months of February through December of each calendar year should be based on a count for that particular month, not a count from January.
3-13	Adjusted Bills	4	18	To enhance consistency among utilities and to facilitate the computation of an accurate adjusted bill rate, Con Edison's PI Report metric 2b should include all adjusted bills. Unless PI metric 2b is properly defined as "the subset of total adjusted bills which have been definitively determined to have been caused by the company's error," there is no basis for removing adjusted bills from the count reflected in PI metric 2b.
3-14	Adjusted Bills	5	18	Con Edison should identify and include in PI metric 2b adjusted bills due to the replacement of estimated usage with an actual meter reading, if such replacement causes a second bill to be sent within the billing cycle to correctly reflect customer usage.
3-15	Adjusted Bills	6	18	Con Edison stated that it was developing the capability to produce account-level support for adjusted bill counts that could not be produced for adjusted bills reported during the review period. Once this capability is developed, Con Edison should archive the account-level detail reports that support the adjusted bill quantities it reports to the NYSPSC.
3-16	Adjusted Bills	7	18	Con Edison should document the following information about PI-reported adjusted bill metrics in writing, as part of a company procedure covering the metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills (cancel/rebills) and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills (cancel/rebills) and how they are identified and classified in the CSS system. • Employee responsibilities identifying bills for adjustment, calculating adjustments, classifying adjustments by reason, and for compiling, reviewing and quantifying the data in the PI Report.
3-17	Telephone Answer Response	1	26	Con Edison should provide an explanation that reconciles the percentage of CSR-requested calls answered within 30 seconds reported for 2013 (60.7%) with a potentially inconsistent average call hold time for 2013 (169 seconds).
3-18	Telephone Answer Response	2	26	Con Edison should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of call answered by a representative within 30 seconds.
3-19	Non-Emergency Service Response	1	32	Con Edison should quantify and report NESR metrics for all customer-requested "service/meter" work requiring the response of service technicians on a non-emergency basis. In addition to gas trouble orders currently reported, the additional orders that should be reported include customer-requested meter work, as well as all customer-driven non-emergency electric work, none of which is currently reported.
3-20	Non-Emergency Service Response	2	32	Con Edison should quantify and report NESR metrics for all work relating to street lights. Currently Con Edison does not report street light metrics 4d, 4e, or 4f on its monthly PI reports. The "days clock" for metric 4h, total days to complete street light orders, should be based on the same "creation" and "repair completion" dates uses to report Con Edison's street light reliability performance metric (RPM).
3-21	Non-Emergency Service Response	3	32	In all categories of NESR work, for the purpose of reporting the "total" and "average" days to complete NESR orders, Con Edison should quantify and report the time between the customer's initial contact and the time the order is completed, instead of starting to measure time when orders are prepared for field assignment. Currently, Con Edison measures only the time between order field assignment and completion in the field. The Company acknowledged that it has the capability to measure the number of days for the entire service cycle from customer request to order completion.
3-22	Non-Emergency Service Response	4	33	Con Edison should count "total days" for metrics 4b, 4e and 4h (total days for service/meter orders, street light orders and tree trimming orders) from the day of customer inquiry of request that generates either investigation or field work.

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3-23	Non-Emergency Service Response	5	33	Con Edison should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that electric and gas meter reading and distribution services departments perform in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used with a new Work Management System, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field). • A complete description of all processes, organizational responsibilities and information systems involved in completing NESR work, from the point at which customer requests are received, to the point at which PI metrics are prepared for submission to the NYSPSC.
3-24	Estimated Meter Readings	1	43	Customer meter reads used to generate regular on-cycle bills should be subtracted when calculating PI metric 5b, estimated meters. Currently, such meters are counted as estimated in metric 5b, when in fact, they are not estimated.
3-25	Estimated Meter Readings	2	43	Con Edison should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 3a and 3b.
3-26	Customer Complaints to the NYSPSC	1	48	Con Edison and the NYSPSC Staff should determine whether it is reasonable to use a customer count that includes an approximate 12% addition for sub-metered "non-account users" who are not customers of Con Edison, but who pay landlords and other third parties for their power and heat. Should the NYSPSC and Con Edison determine it is reasonable to include sub-metered users, for consistency purposes the NYSPSC should consider whether all utilities should identify and include sub-metered users in their customer counts.
3-27	Customer Complaints to the NYSPSC	2	49	For consistency with other utilities, Con Edison should provide the NYSPSC with a customer count (for NYSPSC's use in calculating its monthly customer complaint rate) dated as of December 31 of the prior year. In 2013, Con Edison supplied a customer count as of January 30, 2013, rather than December 31, 2012, and the Company could not provide a date for the customer count reported to the NYSPSC in 2012. Con Edison should use the same customer count reported to the NYSPSC in calculating the complaint rate for PI reporting during the same calendar year period. To the extent a rate year used for annual CSPI reporting is other than the calendar year, the NYSPSC and the Company should agree upon the "as of" date for customers used in calculating the rate.
3-28	Customer Complaints to the NYSPSC	3	49	Data from queries of the CSS system used to derive the customer counts used to calculate customer complaint rates should by archived and maintained as supporting data. Because this was not done during the review period, Con Edison was unable to verify the date of the customer counts used to calculate complaint rates in 2012.
3-29	Customer Complaints to the NYSPSC	4	49	Changes in the status of SRS or QRS complaints that affect the complaint counts used to report the CSPI metric should also be reflected in updated PI reports. At a monthly level, PI and CSPI-reported complaint rates should match if they are based on the same customer count.
3-30	Customer Complaints to the NYSPSC	5	49	Con Edison should document the following information about the calculation of its customer complaint rate in writing, as part of a written company procedure covering performance indicator metrics: • A description of customer complaint procedures, including organizational and employee responsibilities connected with handling complaints and interaction and coordination with the NYSPSC. • A description of the information systems, supporting data, and databases involved in maintaining complaint information and managing complaints. • A description of the process of collecting data for the calculation of the complaint rate, including a description of the data sources supporting SRS complaints and customer counts used in the rate calculation, and including employee responsibilities for calculating, reviewing, and adding the metric to PI and CSPI reports.

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Chapter 3		**Consolidated Edison Company**		
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3-31	Customer Satisfaction	1	58	Con Edison should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor CRA. The SoW should document the vendor's survey procedures in detail and the deliverables that should be produced, including the frequency and number of surveys to be completed, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to Con Edison, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
3-32	Customer Satisfaction	2	58	As discussed above in audit findings, showing composite survey scores next to "completed" survey interview quantities that include interviews not included in the composite scores may be misleading. We recommend that the "number of interviews" shown next to composite survey scores be limited to the number included in the calculation of the composite score. Alternatively, the "number of interviews" shown in the parenthetical should be footnoted, with the footnote disclosing the breakdown of total interviews conducted between those included in and excluded from the composite score.
Chapter 4		**Orange and Rockland**		
4-5	Appointments	1	8	O&R should ensure that its appointments performance indicators properly quantify appointments for all customer-driven work requiring employees to meet customers at their premises.
4-6	Appointments	2	9	O&R should exclude appointments data from states other than New York from the appointments "made" and "kept" quantities reported to the NYSPSC.
4-7	Appointments	3	9	O&R should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The specific types of work the Company performs that are customer-driven and involve scheduling an appointment to meet a customer at the premises, including associated job coding and the departments that perform the work. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source in the work management system to the PI Report. • Any manual procedures or computer logic applied to separate, within a specific type of job, jobs that are counted as customer appointments (because they require meeting customers at their premises) and those that are not (because they do not require the customer to be present in order to perform the work). • The specific logic used to classify appointments as "kept" or "not kept," including information on available appointment windows, how early and late arrivals and the availability of the customers on premises affects the classification, and procedures followed by employees in the field, including data entry, and how this affects the classification as "kept" or "not kept." • Employee responsibility (department and job title) assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
4-8	Adjusted Bills	1	16	To enhance consistency among utilities and to facilitate the computation of an accurate adjusted bill rate that is not a product of employee classification judgment, adjusted bill quantities reported to the NYSPSC on both PI and CSPI reports should include all adjusted bills, including those due to correction of billing estimates.
4-9	Adjusted Bills	2	16	O&R should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. o A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. o The types and causes of adjusted bills and how they are identified and classified in the CIMS system. o Employee responsibilities identifying bills for adjustment, calculating adjustments, classifying adjustments by reason, and for compiling, reviewing and quantifying the data in PI and CSPI reports.
4-10	Telephone Response	1	23	To the extent it is feasible with its existing phone system, O&R should limit the data reported on PI reports to calls received from O&R's New York customers. Calls from customers of Rockland Electric in New Jersey and Pike County Light & Power in Pennsylvania should be excluded from PI reports. To the extent it is not feasible to segregate and omit out-of-state calls, O&R should include a footnote in PI reports explaining that the telephone response metrics include calls from out-of-state customers, and providing an estimate of the percentage of total calls reported that represent O&R's New York customers.

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Chapter 4		**Orange and Rockland**		
Index	Section Title	Rec. #	Page #	Recommendation
4-11	Telephone Response	2	23	O&R should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report. • A description of the scope of calls included in PI metrics, including the customer base (e.g. New York only, or New York, New Jersey and Pennsylvania) and times (business days and hours).
4-12	Non-Emergency Service Response	1	27	O&R should quantify and report NESR metrics for all customer-requested "service/meter" work requiring the response of service technicians on a non-emergency basis, including orders associated with customer electric service facilities currently reported, as well as all customer-driven gas and electric work performed by the Customer Meter Operations department.
4-13	Non-Emergency Service Response	2	27	If electric "drop service" orders are customer-driven orders associated with the electric service facility, they should also be included NESR metrics reported to the NYSPSC.
4-14	Non-Emergency Service Response	3	27	O&R should save and maintain individual order-level supporting detail, including the type of order (e.g. "SR code"), dates customer requests were made and dates work was completed in the field, to support NESR metrics reported to the NYSPSC. Once archived, the information should be maintained for at least five years, and should not be destroyed after "30 months."
4-15	Non-Emergency Service Response	4	27	O&R should perform a complete, top-to-bottom review of the NESR order data it collects in its CIMS and WMS systems and make the process and data corrections necessary to ensure that PI reports reflect orders completed in the field during a given month, and properly reflect, for each order completed, the number of days between the time the customer request was made and the time the work was completed. It does not appear that PI reports during the review period came close to correctly reporting this information.
4-16	Non-Emergency Service Response	5	27	O&R should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that O&R's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at order initiation) and when it ends (e.g., on the date work is completed in the field). • A complete description of all processes, organizational responsibilities and information systems involved in completing NESR work, from the point at which customer requests are received, to the point at which PI metrics are prepared for submission to the NYSPSC.
4-17	Estimated Meter Readings	1	36	O&R's PI reports should reflect meter reading metrics for O&R's operations in the State of New York. Meter statistics for Rockland Electric in New Jersey and for Pike County Power and Light in Pennsylvania should be excluded from the reports.
4-18	Estimated Meter Readings	2	36	O&R should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes, system and management reports involved in translating meter data into performance indicator meter metrics 3a and 3b.

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Chapter 4		**Orange and Rockland**		
Index	Section Title	Rec. #	Page #	Recommendation
4-19	Customer Complaints to the NYSPSC	1	41	O&R should document the following information about the calculation of its customer complaint rate in writing, as part of a written company procedure covering performance indicator metrics: • A description of customer complaint procedures, including organizational and employee responsibilities connected with handling complaints and interaction and coordination with the NYSPSC. • A description of the information systems, supporting data and databases involved in maintaining complaint information and managing complaints. • A description of the process of collecting data for the calculation of the complaint rate, including a description of the data sources supporting SRS complaints and customer counts used in the rate calculation, and including employee responsibilities for calculating, reviewing, and adding the metric to PI and CSPI reports.
4-20	Customer Satisfaction	1	46	O&R should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor XzamCorp. It should document XzamCorp's survey procedures in detail and the deliverables that should be produced, including the frequency and number of surveys to be completed, and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to O&R, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
4-21	Customer Satisfaction	2	46	O&R and the NYSPSC should give consideration to expanding O&R's Customer Contact Satisfaction Survey so that it encompasses satisfaction with the entire service provided by O&R to customers who contact the Company, rather than limiting the satisfaction survey to the way the CSR handled the customer's call. For example, a CSR may have handled a gas leak call with courtesy and attentiveness to the customer's needs, while the Company may have dropped the ball further down the line, by not arriving at the customer's premises in a reasonable amount of time.
Chapter 5		**Niagara Mohawk Power Corporation**		
5-5	Appointments	1	9	NMPC should quantify and report appointments metrics on its PI Report for all customer-driven work requiring NMPC employees to meet customers at their premises, rather than limiting PI-reported appointments to a subset of CMS work based upon two-hour appointment windows.
5-6	Appointments	2	9	To ensure metrics are accurately reported, NMPC should take a careful look at the query logic used to pull appointments classified as "kept" for the PI report. To reduce confusion, NMPC should align its internally-maintained definition of "appointments met" with the PI-reported definition for "appointments kept."
5-7	Appointments	3	9	NMPC should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
5-8	Adjusted Bills	1	16	For consistency with other New York utilities reporting billing performance indicators, and to permit the calculation of an accurate adjusted bill rate, NMPC's PI metric 2a should report total bills issued instead of total meter reads.
5-9	Adjusted Bills	2	16	NMPC should make whatever programming changes to the queries that provide the data for PI metric 2b – adjusted bills, to ensure that the metric reflects an accurate monthly count of rebills.
5-10	Adjusted Bills	3	16	To enhance consistency among utilities and facilitate the computation of an accurate adjusted bill rate, NMPC's PI Report metric 2b should include all adjusted bills. Unless PI metric 2b is properly defined as "the subset of total adjusted bills for which a majority is not company errors," there is no basis for removing rebills due to customer reads from a total count of adjusted bills.

Customer Service				
Chapter 5		**Niagara Mohawk Power Corporation**		
Index	Section Title	Rec. #	Page #	Recommendation
5-11	Adjusted Bills	4	17	NMPC should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills (cancel/rebills) and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills (cancel-rebills) and how they are identified in the CSS system.
5-12	Telephone Answer Response	1	24	NMPC should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report.
5-13	Non-Emergency Service Response	1	27	"Service/meter orders" included in NESR metrics should not be limited to a subset of orders handled by the Electric and Gas Operations departments. NMPC should quantify and report NESR metrics for all customer requested work requiring the response of service technicians on a non-emergency basis. Most customer driven orders in the "service/meter order" category originate in the Customer Meter Services department and none of these are currently being counted. Implementing this recommendation may require a review of the jobs performed by the Customer Meter Services department so that work performed at the request of customers can be separately identified and categorized for tracking in the NESR metrics.
5-14	Non-Emergency Service Response	2	27	The NYSPSC and NMPC should determine whether it is necessary or advisable to include orders from the Electric and Gas Operations departments (which most other New York utilities do not include) in its NESR "service/meter order" metrics (PI metrics 4a, 4b and 4c). In particular, the NYSPSC and NMPC should consider whether orders that originate from within the Company or from municipal public works departments should be co-mingled with orders that originate from contacts by customers.
5-15	Non-Emergency Service Response	3	27	Metrics 4b, 4e and 4h (total days between service order initiation and field completion) should be calculated based on the actual number of calendar days between these events. This simply involves subtracting the initiation date from the completion date.
5-16	Non-Emergency Service Response	4	28	NMPC should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the entire set of customer-driven work that NMPC's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes, or whatever future system codes may be used, to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g. at service order initiation) and when it ends (e.g. on the date work is completed in the field).
5-17	Estimated Meter Readings	1	37	To the extent it is feasible with available technology, NMPC should maintain support for monthly meter statistics reported to the NYSPSC from the source information system, Itron FCS. The only support currently maintained is a Monthly Meter Reading Report which is a manually-prepared Excel spreadsheet using the data produced by Itron FCS. We recommend maintaining the data from the source system as support for the spreadsheet information. This can be maintained either in a raw data format that can be totaled and traced to the PI Report, or in the form of a summary report derived directly from the Itron FCS system using Crystal reports. Alternatively, PageCenter reports, which extract the meter data from the CSS system, into which it passes from Itron FCS, could be maintained as support for the manually-prepared spreadsheet data.

Customer Service				
Chapter 5		**Niagara Mohawk Power Corporation**		
Index	Section Title	Rec. #	Page #	Recommendation
5-18	Estimated Meter Readings	2	37	Document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of the meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
5-19	Customer Complaints to the NYSPSC	1	42	For consistency with other utilities and comparability with the complaint rates reported by the NYSPSC, NMPC should use customer accounts instead of average monthly bills in calculating complaint rates for PI and CSPI reporting.
5-20	Customer Complaints to the NYSPSC	2	42	NMPC should include both active residential and active non-residential customer accounts in the customer quantities it uses to calculate complaint rates for PI and CSPI reporting and in reporting to the NYSPSC. Further, for consistency with other utilities, the customer count should be as of year-end of the year prior to the reporting period (December 31, 2012, for the 2013 reporting period), instead of an arbitrary date (February 25 in 2013) within the reporting year.
5-21	Customer Complaints to the NYSPSC	3	42	NMPC's PI and CSPI customer complaint rates should be consistently reported to the hundredth of a percent. We note that the Company did this in all but one case (the 2012 CSPI Report) during the review period.
Chapter 6		**KeySpan New York**		
6-6	Appointments	1	9	KEDNY should quantify and report appointments metrics on its PI Report for all customer-driven work which requires CMS service technicians to meet customers at their premises, rather than limiting PI-reported appointments to 10 selected job types.
6-7	Appointments	2	9	KEDNY should reconcile "jobs made" and "jobs kept" quantities reported on its Monthly Performance Indicator report (response to request BU-2, Attachment 2.1) with job quantities in its data warehouse (response to request BU-65 Supplemental, Attachment 1). The "Monthly [Appointments] Performance Indicator" report, which contains the CMS jobs data used in the PI report, should be reviewed and corrected to properly reflect the jobs "made" and "kept" quantities in the Company's data warehouse database.
6-8	Appointments	3	9	KEDNY should review the list of job type codes used by its Scheduling and Dispatch function for work performed by its CMS department and do the following: • Unless all CMS job types are customer driven, identify and separately categorize job codes that involve appointments to meet customers at their premises, to enable the PI Report to include all appointments for jobs in which a Service Technician is dispatched to meet a customer. To the extent there are job type codes in which a customer premises appointment may or may not be scheduled, the codes should be split so that the jobs requiring appointments can be separately identified. • Eliminate "default" job type codes, such as "Change Meter – Other" that can be used instead of more specific codes that may apply, to reduce the chance of misclassification. • Eliminate unnecessarily detailed job codes, to reduce the chance of misclassification.
6-9	Appointments	4	9	KEDNY should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and supporting data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-10	Adjusted Bills	1	17	In KEDNY's next rate case, the NYSPSC should re-set the CSPI's adjusted bill negative revenue adjustment threshold to reflect the calculation currently being made, which removes adjusted bills not "due to an error by KEDNY." In other words, the current threshold should be reduced from 1.69% down to around 0.6% or 0.7%.

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Chapter 6		**KeySpan New York**		
Index	Section Title	Rec. #	Page #	Recommendation
6-11	Adjusted Bills	2	17	As part of KEDNY's next rate case, the Company and the NYSPSC should reach a mutual understanding of what is meant by the term "adjusted bill due to an error by KEDNY." The query logic for identifying and extracting bills that meet this definition should be fully documented by KEDNY and fully disclosed to and understood by NYDPS Staff charged with ensuring compliance. The adjusted bill rate calculation resulting from this understanding should form the basis of a new negative revenue adjustment threshold, as discussed in the prior recommendation.
6-12	Adjusted Bills	3	18	KEDNY should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills. • The types and causes of adjusted bills and how they are identified in the CRIS (or, in the future, the CSS) system. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-13	Adjusted Bills	4	18	KEDNY should document the following information about CSPI adjusted bills metrics in writing: • A definition of total bills issued and how it is different from the metric maintained for PI reporting. • A definition of adjusted bills and how it is different from the metric maintained for PI reporting. • A description of each type of adjusted bill included in total adjusted bills. • A description of each type of bill removed from total adjusted bills to determine adjusted bills net of adjustments not "due to errors by KEDNY," including a description of why bills of each type removed are not due to errors by KEDNY.
6-14	Adjusted Bills	5	18	Before the NYSPSC accepts KEDNY's adjusted bills CSPI for the year 2015, the database query logic used to calculate the metric; in particular, the logic used to identify and extract "non-company error rebills" from the population of total adjusted bills, should be reviewed by the Company, most likely corrected to reflect the understanding discussed in recommendation #2 above, and discussed with and reviewed by the NYSPSC.
6-15	Telephone Answer Response	1	28	For the purpose of reporting its CSPI service level, KEDNY should calculate the percentage of calls answered within 30 seconds as a simple average of individual monthly percentages. The method KEDNY used to calculate the metric during the review period gave more weight to service levels in months with higher-than-average call volumes, and less weight to service levels in months with below-average call volumes. While KEDNY's method is a reasonable (and possibly even preferred) approach to calculating the annual service level, it is contrary to the requirements governing the calculation as stated in the Joint Proposal in Case 06-M-0878.
6-16	Telephone Answer Response	2	28	KEDNY should document the following information about PI-reported telephone system metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or, if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percent of call answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
6-17	Non-Emergency Service Response	1	32	KEDNY should quantify and report NESR metrics on its PI Report for all customer-requests requiring a non-emergency response of a CMS Service Technician. The Company should not limit the collection of data for NESR metrics to 10 selected job types.
6-18	Non-Emergency Service Response	2	32	KEDNY should maintain underlying data warehouse support for the "jobs made" and "jobs kept" quantities and equivalent NESR order quantities reported on its Monthly [Appointments] Performance Indicator report.

Customer Service				
Chapter 6		**KeySpan New York**		
Index	Section Title	Rec. #	Page #	Recommendation
6-19	Non-Emergency Service Response	3	33	KEDNY should review the list of job type codes used by its Scheduling and Dispatch function for work performed by its CMS department and do the following: • Identify and separately categorize jobs involving non-emergency responses to customer requests to enable the PI Report to include all jobs in which a CMS Service Technician is dispatched in response to a customer request (regardless of whether an appointment at the customer's premises is required). To the extent there are job type codes in which jobs may or may not, depending on circumstances, involve a response to a customer request, such job types should be split so that the jobs responding to non-emergency service requests can be separately identified. • Eliminate "default" job type codes, such as "Change Meter – Other" that can be used instead of more specific codes that may apply, to reduce the chance of misclassification. • Eliminate unnecessary job codes to reduce the chance of misclassification.
6-20	Non-Emergency Service Response	4	33	KEDNY should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description covering the entire set of work that KEDNY's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all CRIS/Advantex job type codes, or whatever future system codes may be used, to identify and track all non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field). • Responsibility assignments for collecting, compiling, reviewing, and quantifying the data in the PI Report.
6-21	Estimated Meter Readings	1	35	KEDNY's metric 5b, percentage of meters estimated, should be changed to report the number, rather than percentage, of meters estimated, consistent with the eight other utilities reporting meter metrics on PI Reports.
6-22	Estimated Meter Readings	2	35	To the extent it is feasible with available technology, KEDNY should maintain support for monthly meter statistics reported to the NYSPSC from the source information system, Itron FCS. As noted above, the only support currently maintained is a Monthly Meter Reading Report which is manually prepared using the data produced by Itron FCS. We recommend maintaining the data from the source system as support for manually transcribed spreadsheet information. This can be maintained either in a raw data format that can be totaled and traced to the PI Report, or in the form of a summary report derived directly from the Itron FCS system using Crystal reports.
6-23	Estimated Meter Readings	3	36	KEDNY should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of KEDNY's meter reading processes for manual and automated meter reads, and the relationship between the type (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
6-24	Customer Complaints to the NYSPSC	1	42	KEDNY should supply the number of customer accounts to the NYSPSC dated as of calendar year end for use in the months of the following year and the amount should be based on both residential and non-residential accounts.
6-25	Customer Complaints to the NYSPSC	2	42	KEDNY currently has a CSPI benchmark, or negative revenue adjustment threshold, of 1.1 complaints per 100,000. To help ensure and easily demonstrate that the calculated complaint rate is not improperly rounded down with respect to the CSPI negative revenue adjustment threshold, we recommend that KEDNY consistently calculate and report customer complaint rates on both PI and CSPI reports, and for both monthly and annual PI reporting periods, to the hundredth of a percent, as it did for annual CSPI reports throughout the five-year review period.
6-26	Customer Satisfaction	1	48	Based on its own internal goals, KEDNY should obtain at least 100 completed surveys per month for use in preparing its customer satisfaction metric for PI and CSPI reporting. To accomplish this, KEDNY will need to instruct Melior to mail surveys to more than 23% of the customers that KEDNY sends to Melior.

Customer Service				
Chapter 6		**KeySpan New York**		
Index	Section Title	Rec. #	Page #	Recommendation
6-27	Customer Satisfaction	2	48	KEDNY should attach and reference a formal Statement of Work (SoW) in its contract with survey vendor Melior. The SoW should document the Melior's survey procedures in detail and the deliverables that should be produced each month, including the number of surveys to be completed each month; and the methods to be used to select customers, conduct the surveys and manage and process the associated survey data files. To the extent there may be circumstances in which the vendor is authorized or required to exclude a completed or partially-completed survey response from the database sent back to KEDNY, the rules and protocols governing the exclusion should be fully described in the SoW and available for review by the NYSPSC.
Chapter 7		**KeySpan Long Island**		
7-5	Appointments	1	9	KEDLI should quantify and report appointments metrics on its PI Report for all customer-driven work which requires CMS service technicians to meet customers at their premises, rather than limiting PI-reported appointments to special meter reads.
7-6	Appointments	2	9	KEDLI should document the following information about appointments metrics in writing, as part of a written company procedure covering performance indicator report metrics: • The work the Company performs that is customer-driven and involves scheduling an appointment to meet a customer at the premises and the departments that perform the work, including associated job coding. • The information and data used in compiling appointments metrics to be included in the PI report, and the flow of data from its source to the PI Report. • The specific logic used to classify appointments as "kept" or "missed," including information on available appointment windows, how early and late arrivals by the Service Technician and the availability of the customers on premises affects the classification, and procedures followed by technicians in the field, including data entry, and how this affects the classification. • Responsibility assignments for collecting, compiling, reviewing and quantifying the data in the PI Report.
7-7	Adjusted Bills	1	15	KEDLI should document the following information about PI-reported adjusted bills metrics in writing, as part of a company procedure covering performance indicator metrics: • A definition of total bills issued and its relationship to total accounts and total meters. • A definition of adjusted bills and its relationship to total bills. • A description of each type of adjusted bill included in total adjusted bills reported for PI purposes. • The types and causes of adjusted bills and how they are identified in the CSS system.
7-8	Adjusted Bills	2	15	Although it has not done so, since the conversion to the CSS customer information system, KEDLI has had the ability to remove "conditioners" (non-company error adjusted bills) from its total adjusted bill count for the purpose of calculating metrics. Before doing so, we recommend KEDLI notify the NYSPSC of its intent to change its adjusted bill calculation and provide the NYSPSC with the data the Company has been maintaining internally, showing the classifications of bills it intends to remove and their impact on the adjusted bill baseline. Given a new baseline, the NYSPSC can decide whether it wishes to reset the performance threshold to account for the lower adjusted bill rate that KEDLI will be reporting.
7-9	Telephone Answer Response	1	21	KEDLI should document the following information about telephone call volume and response time metrics in writing, as part of a company procedure covering performance indicator metrics: • Descriptions of all of the locations of the call centers and ownership of the centers (company or vendor) that generate the telephone calls measured in the PI metrics. If any inbound customer calls are excluded from the metrics, these should be described in the procedure, or if not, the procedure should confirm that all inbound customer calls are captured in the metrics. • Descriptions of the telephone equipment and software which produces the data used in the metrics, including the telephone system switch, IVR and call management software. • Definitions for total incoming calls received, percent of calls answered, total incoming calls requesting a representative and percentage of calls answered by a representative within 30 seconds. • A description of the source reports that provide data from the call management software used in the metrics, identification of the call management system (Avaya and/or NICE) that produce the reports, and a description of how and by whom data for the metrics is extracted from the systems for inclusion in the PI Report.
7-10	Non-Emergency Service Response	1	25	KEDLI should quantify and report NESR metrics on its PI Report for all customer-requests requiring the response of service technicians on a non-emergency basis. KEDLI should not limit the collection of data for NESR metrics to two selected job types.

Customer Service				
Chapter 7		**KeySpan Long Island**		
Index	Section Title	Rec. #	Page #	Recommendation
7-11	Non-Emergency Service Response	2	25	KEDLI should identify and include on its PI Report the total number of days required to process the customer-requested non-emergency services reported in metric 4a. The number should be based on days between the origination of the orders and completion of the work. The resulting days should be reported as metric 4b – Total days to complete all service/meter orders. KEDLI should also calculate and report metric 4c – Average days to complete all service/meter orders using the data from metrics 4a and 4b.
7-12	Non-Emergency Service Response	3	25	To facilitate accurate reporting of all non-emergency customer service requests, KEDLI should review its list of 18 job type codes used to classify work performed by its CMS department to identify and separately categorize for inclusion in monthly PI metrics the jobs involving non-emergency service responses to customer requests. To reduce the chance of misclassification, to the extent possible, KEDLI should eliminate "default" job codes with descriptors such as "other" or "miscellaneous" that can be used instead of more accurate, specific job codes.
7-13	Non-Emergency Service Response	4	25	KEDLI should document the following information about non-emergency service response metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description covering the entire set of work that KEDLI's CMS department performs in response to non-emergency customer service requests. This should include a currently-maintained list of all job type codes to identify and track non-emergency customer service response jobs. • A description of how the number of days summed in metric 4b is computed at the service order level. Such description should state when the "days clock" for a non-emergency service response begins (e.g., at service order initiation) and when it ends (e.g., on the date work is completed in the field).
7-14	Estimated Meter Readings	1	28	KEDLI should remove customer-read meter totals from its PI Report metric 5b – estimated meters.
7-15	Estimated Meter Readings	2	28	KEDLI should document the following information about meter reading metrics in writing, as part of a written company procedure covering performance indicator report metrics: • A description of KEDLI's meter reading processes for manual and automated meter reads, and the relationship between type of meter (AMR or manual) and the percentage of meters estimated. • Definitions of meter metrics 5a (total meters scheduled to be read) and 5b (number of meters estimated). As noted above, estimated meters should not include customer-read meters. • Information and data used to compile meter metrics for the PI report and the flow of data from source to the PI Report, including a description of the Itron FCS or other system used to collect meter data and intermediate reports used to generate PI Report metrics (Daily Route Report, Monthly Meter Reading Report). • Responsibility assignments for collecting, compiling, reviewing and quantifying meter metrics in the PI Report. The departments (CMS, MDS, Program Development and Governance), processes and system and management reports involved in translating meter data into performance indicator meter metrics 5a and 5b.
7-16	Customer Complaints to the NYSPSC	1	32	KEDLI should supply the number of customer accounts to the NYSPSC dated as of calendar year end for use in the months of the following year, and the amount used should include both residential and non-residential accounts.
7-17	Customer Complaints to the NYSPSC	2	32	KEDLI currently has a CSPI benchmark, or negative revenue adjustment threshold, of 1.1 complaints per 100,000. To help ensure and easily demonstrate that the calculated complaint rate is not improperly rounded down with respect to the CSPI negative revenue adjustment threshold, we recommend KEDLI consistently calculate and report customer complaint rates to the hundredth of a percent on both PI and CSPI reports and for monthly as well as annual PI reporting periods.
Chapter 8		**New York State Electric & Gas**		
8-5	Appointments	1	9	NYSEG should remove from the appointments reportable to the PSC, those service notifications that are not considered appointments by definition (appointments that are always kept). Doing this would show a more accurate picture of the service reliability the utility maintains with respect to customer initiated requests for meter work and move in/move out tasks.
8-6	Appointments	2	9	Overland recommends that meter supervisors formally document within SAP the reason why any appointment missed is manually changed to an appointment kept during the review process.
8-7	Adjusted Bills	1	15	Overland recommends that NYSEG take measures to reduce the number of adjusted bills that are incorrectly coded. These measures could involve more training for the customer service representatives or reducing the number of billing adjustment codes used.
8-8	Adjusted Bills	2	15	Overland recommends that NYSEG create a separate billing adjustment code for out-of-balance customer accounts and determine (with NYSPSC approval) whether or not it should be reportable as a billing adjustment in the PI report.
8-9	Telephone Answer Response	1	22	The documented change in the process of recording and reporting "Percent of Calls Answered" should be reviewed periodically to ensure that the errors from Audit Finding #5 are eliminated.
8-10	Telephone Answer Response	2	22	NYSEG should update the terminology used in the row headers in the NYSEG Call Center Telephone Statistics 2013 (EG-04-0120, Attachment 1) to make the spreadsheet more understandable to the end user.

Customer Service				
Chapter 8		New York State Electric & Gas		
Index	Section Title	Rec. #	Page #	Recommendation
8-11	Telephone Answer Response	3	22	NYSEG should submit to the NYSPSC its Service Level Percentage (Percent of Calls Answered within 30 seconds) using the calculation that is shown in EG-01-0004, Attachment 1, Page 3 and in the daily Service Level % cells in EG-04-0126, Attachment 1. The calculation of Service Level Percentage used by the utility during 2013 did not account for Calls Abandoned as did the calculation in the two attachments previously referenced. This would improve the simplicity and consistency of the calculation.
8-12	Non-Emergency Service Response	1	28	Instead of excluding a work order from the data reported to the PSC because the days to complete the work order does not accurately reflect the period that the utility is responsible for completing the work order, NYSEG should include the work order and manually adjust the number of days to complete the work order to properly reflect the period of time where the Company is responsible for completing the work order.
8-13	Non-Emergency Service Response	2	28	NYSEG should add an additional task to those that begin the count of days to complete. The task description should be "Customer Request Received." This would act as a default task description that begins the count of days to complete (the one used if no other task that begins the count of days to complete is applicable) and would force all of the service notifications to have a task that begins the count of days to complete. Therefore, no service notifications extracted from SAP for the NESR service/meter work order metric would be excluded from PSC reporting simply because there is not a beginning date to the range that calculates the number of days to complete the work order.
8-14	Non-Emergency Service Response	3	28	NYSEG should review all service/meter work orders that are calculated to have a negative number of days to complete the order and manually change the number of days to zero or a positive number.
8-15	Non-Emergency Service Response	4	28	NYSEG should report the number of days to complete all street light jobs in its future submissions of the PI report to the PSC.
8-16	Non-Emergency Service Response	5	28	The count of days to complete a street light work order should be consistent for all work orders in all NYSEG districts, and based on when the street light notification is received by the utility.
8-17	Non-Emergency Service Response	6	28	All NYSEG districts should agree to the same processing and reporting procedures for street light work orders, which should include totaling the number of street light work orders entered daily at the end of each month; and calculating the number of days to complete the street light work orders, and the monthly average days to complete them.
8-18	Non-Emergency Service Response	7	28	A supervisor at each NYSEG district should review the street light order data by reconciling the notifications (paper or electronic) for a particular district to the spreadsheet that is submitted to the Customer Service Performance Department for reporting to the PSC via the PI report. Any discrepancies at the district level should be addressed and resolved before submission to the Customer Service Performance Department.
8-19	Non-Emergency Service Response	8	29	NYSEG should track and report the number of days to complete all tree trimming jobs and the average days to complete all tree trimming jobs in its future submissions of the PI report to the PSC.
8-20	Non-Emergency Service Response	9	29	We recommend that all of the NYSEG districts agree to the same processing and reporting procedures for tree trimming work orders, which should include totaling the number of tree trimming work orders entered daily at the end of each month; and calculating the number of days to complete the tree trimming work orders and the monthly average days to complete them.
8-21	Non-Emergency Service Response	10	29	A supervisor at each NYSEG district should review the tree trimming work order data by reconciling the notifications (paper or electronic) for a particular district to the spreadsheet that is submitted to the Customer Service Performance Department for reporting to the PSC via the PI report. Any discrepancies at the district level should be addressed and resolved before submission to the Customer Service Performance Department.
8-22	Estimated Meter Readings	1	39	Overland recommends that since PI reporting is performed on a monthly basis, NYSEG should save each month's Estimates YYYY.xls file, including the queried data typically extracted from SAP into the Excel file.
8-23	Customer Complaints to the NYSPSC	1	44	NYSEG's calculation for the PSC Complaint Rate should be made consistently between its PI report and the PI report supporting documentation. NYSEG claims in the response to discovery request, EG-04-0122, that it will change the process of calculating and reporting the PSC Complaint Rate retroactively back to January 2014, by manually inputting the monthly year-to-date rate from the PI supporting spreadsheet into the PI report. To ensure the accuracy and integrity of the data, NYSEG will "lock down the monthly column" in the supporting documentation spreadsheet and have the supervisor of the analyst that manually inputs the rate into the PI report verify that the rate was input correctly.
8-24	Customer Complaints to the NYSPSC	2	44	NYSEG should begin reporting PSC complaints in its PI report using the monthly rate that is shown in its supporting spreadsheet at EG-04-0118, Attachment 2 instead of the monthly year-to-date rate in order to be consistent with the reporting of the other New York utilities and with the report published by the NYSPSC.
8-25	Customer Complaints to the NYSPSC	3	44	To be consistent with RGE and with the previously agreed upon definition of customers to be used in the PSC Complaint Rate calculation, Overland recommends that NYSEG use the number of customers as of December 31 of the previous calendar year in their calculation of the utility's PSC Complaint Rate.

Customer Service				
Chapter 8		**New York State Electric & Gas**		
Index	Section Title	Rec. #	Page #	Recommendation
8-26	Customer Complaints to the NYSPSC	4	44	NYSEG should not include inactive customer accounts in its calculation for the PSC Compliance Rate. The exclusion of inactive customer accounts would make the calculation more consistent with RG&E and other utilities in New York.
8-27	Other Customer Service Metrics	1	56	Although not listed among the additional (non-PSC-reported) metrics NYSEG provided in response to our data request, NYSEG maintains statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend NYSEG add the percentage of total meters deployed with AMR devices to this meter category, as PI Report metric 5c.
Chapter 9		**Rochester Gas & Electric**		
9-5	Appointments	1	9	RG&E should remove from the appointments reportable to the PSC, those service notifications that are not considered appointments by definition (appointments that are always kept). Doing this would show a more accurate picture of the service reliability the utility maintains with respect to customer initiated requests for meter work and move in/move out tasks.
9-6	Appointments	2	9	Overland recommends that the RG&E meter supervisor formally document within SAP the reason why any appointment missed is manually changed to an appointment kept during the review process.
9-7	Adjusted Bills	1	15	Overland recommends that RG&E take measures to reduce the number of adjusted bills that are incorrectly coded. Examples of these measures could involve more training for the customer service representatives or reducing the number of billing adjustment codes used.
9-8	Adjusted Bills	2	15	Overland recommends that RG&E creates a separate billing adjustment code for out-of-balance customer accounts and determine (with NYSPSC approval) whether or not it should be reportable as a billing adjustment in the PI report.
9-9	Non-Emergency Service Response	1	26	Instead of excluding a work order from the data reported to the PSC because the days to complete the work order does not accurately reflect the period that the utility is responsible for completing the work order, RG&E should include the work order and manually adjust the number of days to complete the work order to properly reflect the period of time where the Company is responsible for completing the work order.
9-10	Non-Emergency Service Response	2	26	RG&E should add an additional task to those that begin the count of days to complete. The task description should be "Customer Request Received." This would act as a default task description that begins the count of days to complete (the one used if no other task that begins the count of days to complete is applicable) and would force all of the service notifications to have a task that begins the count of days to complete. Therefore, no service notifications extracted from SAP for the NESR service/meter work order metric would be excluded from PSC reporting simply because there is no beginning date to the range that calculates the number of days to complete the work order.
9-11	Non-Emergency Service Response	3	27	RG&E should review all service/meter work orders that are calculated to have a negative number of days to complete the order and manually change the number of days to zero or a positive number.
9-12	Non-Emergency Service Response	4	27	RG&E should at least report the average days to complete all street light jobs to the tenth decimal place to improve the preciseness of the metric data as well as more easily identify variances in the metric data.
9-13	Non-Emergency Service Response	5	27	Since utility field workers sometimes perform street light repairs on weekends, RG&E should base their count of days to complete street light work orders on calendar days instead of work days.
9-14	Non-Emergency Service Response	6	27	Overland recommends that RG&E at least report the average days to complete all tree trimming jobs to the tenth of a decimal place to improve the preciseness of the metric data as, well as more easily identify variances in the data.
9-15	Non-Emergency Service Response	7	27	Since utility field workers sometimes perform tree trimming services on weekends, RG&E should base their count of days to complete tree trimming work orders on calendar days instead of work days.
9-16	Estimated Meter Readings	1	36	Overland recommends that since PI reporting is performed on a monthly basis, RG&E should save each month's Estimates YYYY.xls file, including the queried data typically extracted from SAP into the Excel file.
9-17	Estimated Meter Readings	2	36	Overland recommends that the two components of the Estimated Meter Reads calculation described in Finding #5 should be the same. The equation should be the population of scheduled meter reads minus the actual reads; that amount divided by the population of scheduled meter reads. However the population of scheduled meter reads is defined, it should be used both in the first term of the numerator and in the denominator.
9-18	Customer Complaints to the NYSPSC	1	40	RG&E's calculation for the PSC Complaint Rate should be made consistently between its PI report and the PI report supporting documentation. RG&E claims in the response to discovery request, RO-04-0121, that it will change the process of calculating and reporting the PSC Complaint Rate retroactively back to January 2014, by manually inputting the monthly year-to-date rate from the PI supporting spreadsheet into the PI report. To ensure the accuracy and integrity of the data, RG&E will "lock down the monthly column" in the supporting documentation spreadsheet and have the supervisor of the analyst that manually inputs the rate into the PI report verify that the rate was input correctly.

Customer Service				
Chapter 9		**Rochester Gas & Electric**		
Index	Section Title	Rec. #	Page #	Recommendation
9-19	Customer Complaints to the NYSPSC	2	41	Overland recommends that RG&E begin reporting PSC complaints in its PI report using the monthly rate that is shown in its supporting spreadsheet at RO-04-0118, Attachment 2 instead of the monthly year-to-date rate, in order to be consistent with the reporting of the other New York utilities and with the report published by the NYSPSC.
9-20	Other Customer Service Metrics	1	52	Although not listed among the additional (non-PSC-reported) metrics RG&E provided, the Company maintains statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend RG&E add the percentage of total meters deployed with AMR devices to this meter category, as PI report metric 5c.
Chapter 10		**Central Hudson**		
10-4	Appointments	1	8	Central Hudson should maintain in its CIS detail reports that support the appointments metrics reported to the NYSPSC and that these detail reports not be editable after the information from the report is submitted to the NYSPSC.
10-5	Appointments	2	8	Field workers, field supervisors, or customer service representatives (CSRs) should create and maintain a detailed description (audit trail) in the CIS of why each exempt missed appointment is classified as such.
10-6	Non-Emergency Service Response	1	23	Central Hudson should obtain an understanding of and be able to document the types of service/meter work orders that are included or excluded in the summation of service/meter work orders as shown on the last page of the "Dispatch Order Service Standard Report."
10-7	Non-Emergency Service Response	2	23	Central Hudson should ensure that street light work orders are only created for street lights that have repairs or maintenance performed by the utility, presumably those street lights included in Rates A and B.
10-8	Estimated Meter Readings	1	32	Central Hudson should ensure that the "Meters Available for Billing Detail" report is saved every month as part of the supporting documentation for the PI report.
10-9	Other Customer Service Metrics	1	50	Although not listed among the additional (non-PSC-reported) metrics CH provided in response to our data request, the Company should be maintaining statistics on manually and automatically read meters that permit calculation of the percentage of total meters with automated meter reading devices. The percentage of estimated meters (PI metric 5b) is directly dependent on the relative percentages of meters read manually and automatically. To add context to the estimated meter percentages included in the PI report, we recommend CH add the percentage of total meters deployed with AMR devices to this meter category, as PI Report metric 5c.
10-10	Other Customer Service Metrics	2	50	Central Hudson should update the customer satisfaction metric thresholds for its management incentive compensation plan to be at least the equivalent of, if not higher than, the CSPI thresholds, as the utility had done prior to the Fortis acquisition.

Customer Service				
Chapter 11		**National Fuel**		
Index	Section Title	Rec. #	Page #	Recommendation
11-4	New Service Installations	1	8	Although the manual adjustments do not create a significant difference in the data for this metric, Overland recommends that National Fuel document with a detailed explanation the reason for each time a last hold date or installation date is changed from the SVLN5520 report.
11-5	Appointments	1	12	Overland recommends that National Fuel retain the individual appointment data that is aggregated in the data shown in the KWON0905-3 Monthly Work Performance Against Commitment report.
11-6	Appointments	2	12	Overland recommends that National Fuel use one methodology to calculate appointments data for both PI and CSPI purposes and document in detail how the CIS processes the raw data into the reportable data that is submitted to the NYSPSC via the PI and CSPI reports.
11-7	Adjusted Bills	1	18	National Fuel should retain a copy of the record by record billing detail for total bills and adjusted bills for audit documentation purposes.
11-8	Telephone Answer Response	1	22	Overland recommends that National Fuel use the data for total calls answered for Item 3c in the PI report instead of total incoming calls received.
11-9	Telephone Answer Response	2	22	Overland recommends that National Fuel retain the monthly Application Call Volume Daily Reports for documentation purposes.
11-10	Non-Emergency Service Response	1	26	Overland recommends that National Fuel retain the individual work order data that is aggregated in the data shown in the KWON0905-3 Monthly Work Performance Against Commitment report.
11-11	Customer Complaints to the NYSPSC	1	32	National Fuel should each month reconcile its number of complaints shown in its internal tracking spreadsheet (the utility's supporting documentation) to the number of complaints used in the calculation of the PSC complaint rate that is maintained at the NYSPSC.
11-12	Customer Satisfaction	1	37	Since the PI report is submitted to the NYSPSC on a monthly basis, the data in the PI report should reflect the customer satisfaction survey responses for that particular month only, not three months of responses that could be stale by up to two months.
11-13	Customer Satisfaction	2	37	National Fuel should show in the quarterly CSPI filings each of the three month's customer satisfaction percentage (for both residential and non-residential, separately) as well as the weighted average customer satisfaction percentage for the three month period.

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www.dps.ny.gov

December 11, 2015

Mr. Carl Carlotti, President
National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221

2016 Gas Safety Performance Measure Guidance and Instruction

Dear Mr. Carlotti,

Attached are the updated emergency response time, damage prevention, and leak management reporting forms to be utilized during the upcoming 2016 calendar year. Prior to the 2016 calendar year all efforts made by National Fuel Gas Distribution Corporation have been voluntary. These efforts have led to significant improvements to the overall statewide averages as they relate to each of the performance measures mentioned.

The Gas Safety Section of the Department of Public Service (DPS) Office of Electric, Gas, and Water uses performance measures to gauge the efforts of local gas distribution companies (LDCs) operating in New York in key areas of safety operations. The performance measures are the result of collaborative efforts, started in 2003, between Staff and the LDCs to improve the identification and tracking of certain areas that are critical to gas safety. The gas safety performance measures were developed as a means of improving LDCs gas delivery system safety performance in areas identified as presenting the highest risks. Performance measures are tools that Staff and the LDCs can use to monitor the safety operation and maintenance of distribution systems. These measures indicate how companies are performing from year to year, as well as trends over time.

In developing the performance measures, Staff first identified areas in LDCs' systems or operations that carry the greatest potential for harm to the public if performance is sub-standard. Staff then worked with the LDCs to develop methods for capturing and tracking appropriate data so they could be used as a practical management tool. This process led to the identification of three separate performance measures that have all been included in the annual performance measure reports.

Emergency response times gauge an LDC's ability to respond promptly to reports of gas leaks or emergencies by examining the percentage of calls that fall within various response times. This measure contains three specific goals: respond to 75% of emergency calls within 30 minutes, 90% within 45 minutes, and 95% within 60 minutes.

Leak management examines an LDC's performance in effectively maintaining leak inventories and keeping potentially hazardous leaks to a minimum. This measure focuses on the year-end backlog of total leaks and leaks requiring repair.

Damage prevention gauges the ability of an LDC to minimize damage to buried facilities caused by excavation activities. This measure is further broken down into subcategories such as damages due to mismarks (inaccurate marking by the LDC of its buried facilities), company and company contractor damages, third party excavator damage, and no-calls or failure to provide notice of intent to the one-call notification system.

The LDCs, overall, have shown significant improvement in each of these areas, although each year LDCs have had problems with respect to one or more of the measures. In addition, the performance measures discussed in LDC annual reports have formed the basis for targets in individual LDC rate cases, with negative revenue adjustments applied if targets are not met. The current annual reports and analysis can be found on the Department of Public Service website under the following Cases: 15-G-0248, 14-G-0176, 13-G-0213, 12-G-0222, 11-G-0242, 10-G-0225, 09-G-0454, 08-G-0413, 07-G-0461, 06-G-0566, 05-G-0204, and 04-G-0457.

In a parallel effort, the Commission, on August 15, 2013, in Case 13-M-0314, issued a request for proposals for an independent consultant to perform an operations audit focusing on the accuracy of the performance measure data that has been submitted by nine of the eleven major LDCs. The audit's objectives were to assess the completeness and accuracy of the measures submitted, assess comparability among the utilities, and determine the suitability of each of the performance measures identified. Any recommendations identified within the consultant's report would be evaluated for future reporting consideration. The results from the Case 13-M-0314 audit report are pending and will be addressed in the near future.

On May 12, 2015, a collaborative meeting was held with the LDCs to discuss the nuances between the data collected and how it was used related to the statewide comparisons. Several areas were identified as needing further clarification to address these concerns. The attached reporting forms have been updated to reflect these conversations and, moving forward, will be used accordingly in the analysis of the performance measure data. Should you or your staff need further clarification on these forms or would like to propose further modifications, requests can be made by sending an email to safety@dps.ny.gov. Continued improvement in the analysis of these performance measures should be the main objective for all LDCs and Staff.

In addition to the updated reporting forms and commencing in 2016, reporting of the performance measure data will no longer be voluntary, but rather mandatory for all LDCs. This will ensure that the necessary data for analysis continues to be reported by the LDCs on a regular basis. To date, the LDCs have been voluntarily reporting this data on a quarterly basis. These

calendar quarters end on March 31st, June 30th, September 30th, and December 31st each year. National Fuel Gas Distribution Corporation would now be required to submit the performance measure data no later than the 30th day of the month following the end of the calendar quarters. All submissions shall be made by sending an email to safety@dps.ny.gov.

It is the responsibility of National Fuel Gas Distribution Corporation to report its performance measure data on the required forms each year in addition to filing its data within the required timeframes. The collecting and reporting of performance measure data would commence on January 1, 2016. Please note that the compilation of data will be evaluated for future rate case performance targets and will not have an immediate effect on current targets.

I'd like to recognize National Fuel Gas Distribution Corporation in its efforts and continued commitment to gas safety. If you or your staff have any questions or concerns, or would like to request electronic versions of these performance measure forms, please have them contact Christopher Stolicky at Christopher.Stolicky@dps.ny.gov or 518-473-9994. I look forward to any comments you may have on this reporting criteria and guidance.

Sincerely,

Cynthia McCarran
Deputy Director
Office of Electric, Gas, and Water

Enclosures:
(1) 16 NYCRR 255.825(d) - Analysis of Response to Emergency Reports – Version 2016
(2) Analysis of Damages on Gas Corporation Facilities – Version 2016
(3) Analysis of Leaks on Gas Corporation Facilities – Version 2016