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January 23, 2012

VIA E-MAIL

secretary@dps.ny.gov

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 98-M-1343 – In the Matter of Retail Access Business Rules

Dear Secretary Brillling:

Pursuant to the New York State Public Service Commission's November 23, 2011 *Order Denying Rehearing and Accepting Utility Compliance Filings Related to Remote Customer Access to Account Information* in the above-referenced case, enclosed for filing please find New York State Electric & Gas Corporation's and Rochester Gas and Electric Corporation's *Report Regarding Customer Remote Access to Point of Delivery ID Numbers Via the Interactive Voice Response Unit and the Web*.

If you have any questions regarding this filing, please contact Marc Webster, Manager – Supplier Relations, at 607-762-8075 or me at 518-434-4977.

Respectfully submitted,

A handwritten signature in cursive script that reads "Noelle M. Kinsch".

Noelle M. Kinsch
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cc: Active Party Service List (via e-mail)

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**BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of Retail Access Business Rules

Case 98-M-1343

**NEW YORK STATE ELECTRIC & GAS CORPORATION AND
ROCHESTER GAS & ELECTRIC CORPORATION'S
REPORT REGARDING CUSTOMER REMOTE ACCESS
TO POINT OF DELIVERY ID NUMBERS VIA
INTERACTIVE VOICE RESPONSE UNIT AND THE WEB**

I. EXECUTIVE SUMMARY

Pursuant to the New York State Public Service Commission's ("Commission") November 23, 2011 *Order Denying Rehearing and Accepting Utility Compliance Filings Related to Remote Customer Access to Account Information* in the above-referenced case (the "November 23rd Order"),¹ New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E") (together, the "Companies") hereby submit their report on the discussion with the energy service companies ("ESCOs") regarding the feasibility and associated costs of offering customers access to their Point of Delivery ID ("POD ID") via the Interactive Voice Response ("IVR") Unit and the web (the "Program" or "Project"). Certain ESCOs stated that the Program did not fit into their business models. A number of ESCOs stated that they were not interested in the Program. Based on the expressed lack of interest and the lack of

¹ Case 98-M-1143 – In the Matter of Retail Access Business Rules, Order Denying Rehearing and Accepting Utility Compliance Filings Related to Remote Customer Access to Account Information (Nov. 23, 2011).

consensus, it appears that there is no workable solution and the Companies hereby table the Program with no intention to revisit it.

II. BACKGROUND

The November 23rd Order approved the Companies' compliance filing, subject to agreement by the parties to a cost recovery mechanism, which provided for a dedicated IVR Unit and a customer-facing web site interface, both of which would allow customers to access their POD ID remotely. The Commission directed the Companies to "meet with the active ESCOs in their service territories and file with the Secretary to the Commission within 60 days of issuance of this order a time table for implementation along with a description of how the costs will be recovered from the ESCOs. At that time, NYSEG/RG&E may implement the plan without receiving additional approval from this Commission. If the utilities and the ESCOs cannot come to an agreement, the utilities shall file a report with the Secretary to the Commission within 60 days of issuance of this order explaining why, after consulting with the ESCOs, the parties cannot devise a workable cost recovery mechanism or stating that the ESCOs determined that the approved plan is not necessary."²

III. OUTCOME OF THE COMPANIES' EFFORTS

A. Discussion with the ESCOs

On December 8, 2011, the Companies held a conference call with the ESCOs and Department of Public Service Staff. During the call, the Companies set forth the plan that had been approved by the Commission. The Companies explained the necessary cost contribution for the Project. The Companies estimated the cost of the Project to be

² Id. at 17.

approximately \$97,400. The Companies explained that the costs would be trued up after three years with any ESCO that contributed funds to the Project. Because the Commission recognized in its Order that this Project is promotional in nature for the ESCOs, the Companies explained that the ESCOs would have to fund 100% of the cost of the Project and, further, the money would need to be paid upfront.

The conference call participants discussed the following threshold issues:

- 1) Some of the ESCOs stated that they did not want to participate in the Program at any price. Several ESCOs, especially those exclusively serving commercial and industrial customers, stated that such access to the POD ID would not benefit their customers and did not fit into their marketing practices. Other ESCOs were vocal about supporting this Project and stated that they felt that it would be a valuable fit to their business model. The Companies proffered several options, including whether the Program should apply to only residential ESCOs or only ESCOs participating in the Purchase of Receivables program. Some ESCOs felt the Program should be mandatory, whereas others did not. In response to the lack of ESCO consensus, the Companies asked the ESCOs to send an email to the Companies stating whether or not the ESCOs would be interested in participating in the Project.
- 2) The Companies next asked whether or not ESCOs would be willing to fund the Project and, if so, how much would the ESCOs commit to it. In response, the issue of “free ridership” was raised and discussed on the conference call. Certain participants asked whether the Companies could exclude those ESCOs who did not contribute to the costs from using the IVR Unit or the web. Since the Order

clearly identified the end-use customer as the user of these tools, the Companies stated that they could not restrict who could access the data. In fact, previous filings by the Companies which would have allowed such restricted access were rejected by the Commission in its July 19, 2010 Order in this proceeding.³ The Companies' system enhancements for remote access to customer POD IDs provides for customers to access the data. Putting some sort of limit on who could view the data would keep customers from having access without some sort of ESCO "pass code" and would not comport with the Companies' proposal, as approved by the Commission. The idea of free-ridership was clearly detestable to most ESCOs; they quite simply did not want to contribute money toward a project and have someone else who did not contribute be able to use it.

- 3) The ESCOs inquired whether the web access option and the IVR Unit option could be separated and priced separately. The Companies said that the IVR Unit and web access could not be separated at this point because a previous filing by the Companies seeking a web-only access solution (which would have also restricted access to ESCOs via the secured site) was rejected by the Commission in its July 19th Order. In addition, the July 19th Order clearly directed the Companies to offer an IVR-based solution, with the option that the Companies could also offer a Web option in addition as an alternative, but any such Program would need to comport with the Orders in this case. As a result, the Companies are unable to separate an IVR-based option from a web-based option.

³ Case 98-M-1343, Order Concerning Remote Customer Access to Account Information, at 20 (July 19, 2010) ("July 19th Order").

The conference call ended after the discussion of these threshold issues. Before concluding the call, the Companies asked each ESCO to send an email to the Companies no later than the close of business on Friday, December 16, 2011 with the answers to the following questions:

- 1) Is your company willing to commit to funding the IVR and web project to provide customers access to their POD IDs?
- 2) What amount of funding would be the most to which you would commit?

The Companies also told all the ESCOs that should they fail to respond by the deadline, their lack of response would be considered a “no” to the first question.

B. Summary of ESCO Responses

In all, the Companies communicated with 67 ESCOs. Direct electric customers and direct gas customers were excluded. Of the 67 ESCOs, 31 responded and 36 ESCOs did not respond to the Companies’ request for an e-mail regarding interest in the Program. The ESCOs that did not send an e-mail were considered by the Companies to have no interest in the Program.

Of the 31 respondents, 22 stated that they were not interested in committing funds to the Project. Nine ESCOs responded that they would be willing to contribute toward the development of the IVR-based and web-based solution. There were two responses where two ESCOs, owned by the same parent, responded jointly. As a result, while nine ESCOs responded in the affirmative, only seven ESCOs offered financial support.

Regarding the nine ESCOs willing to contribute, the maximum contribution ranged from \$1,500 to \$19,480. The total amount that the ESCOs were willing to

contribute summed to \$44,980. This amount is \$52,420 short of the projected cost of the Project and less than half of the overall cost.

One ESCO was willing to contribute to a web-only solution. Another ESCO felt that no free-riders should be allowed and that the access to the IVR and web should be restricted only to those ESCOs who contribute to the funding of the project.

IV. CONCLUSION

As a result of the discussions and e-mail response mentioned above, the Companies concluded that 1) there is insufficient interest in this Program on the part of the ESCOs; and 2) there is no workable solution. Only nine of the 67 ESCOs were interested in funding the Project, and the ESCOs' financial contributions would support only 46% of the expected cost. In addition, there is no clear solution to the threshold issues identified above. Given the existing parameters of the Program as ordered by the Commission and the clear lack of ESCO interest, the Companies hereby report that no consensus could be reached and the Companies are tabling the Program with no intention to revisit it.

Any questions regarding this Report may be directed to Marc Webster, Manager – Supplier Relations at (607) 762-8075.