

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

CASE 25-M-0003 – In the Matter of Utility Customer Service Performance for 2024.

2024 Customer Service Performance Report

Office of Consumer Services
Consumer Advocacy Section
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INTRODUCTION

This report summarizes the New York State electric, gas, and water utilities' customer service performance for calendar year 2024. This report addresses the performance of the following utilities, collectively referred to as the "Companies" or "Utilities:" Central Hudson Gas and Electric Corporation (Central Hudson); Consolidated Edison Company of New York, Inc. (Con Edison); Corning Natural Gas Corporation (Corning); KeySpan Gas East Corporation d/b/a National Grid (KEDLI); The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY); Liberty Utilities (New York Water) Corporation (Liberty Water); Liberty Utilities (St. Lawrence Gas) Corporation (Liberty Gas); National Fuel Gas Distribution Corporation (NFG); Niagara Mohawk Power Corporation d/b/a National Grid (NMPC); New York State Electric & Gas Corporation (NYSEG); Rochester Gas and Electric Corporation (RG&E); Orange and Rockland Utilities, Inc. (O&R); and Veolia Water New York Inc. (Veolia).¹ Each utility submits performance reports for the prior year, including any positive revenue adjustments (PRAs) or negative revenue adjustments (NRAs) the utility incurs based on measures that are

¹ PSEG Long Island (PSEG LI) is the service provider for the Long Island Power Authority (LIPA). LIPA and PSEG LI are largely excluded from Public Service Commission (PSC) jurisdiction pursuant to Public Authorities Law (PAL) §1020-s, however, LIPA and PSEG LI are subject to review by the Department of Public Service pursuant to Public Service Law §3-b. LIPA and PSEG LI also comply with the Home Energy Fair Practices Act (PSL Article 2) and other applicable regulations pursuant to PAL §1020-cc and their Operations Services Agreement, §4.2(A)(3)(e). While PSEG LI is not subject to the Commission's orders regarding customer performance metrics, this report provides PSEG LI's performance data for calendar year 2024.

negotiated in individual utility rate proceedings.²

In addition to the required annual Customer Service Performance Indicator (CSPI) reports, a subset of utilities file monthly CSPI reports,³ which staff of the Department of Public Service (Staff) uses to track and monitor a utilities' progress and performance on various metrics throughout the calendar year.⁴ Reporting commenced in April 1992, when the Commission directed the major electric and gas utilities with greater than 25,000 customers to compile and file monthly CSPI reports that detail a series of standardized measures of customer service performance.⁵ The CSPI reports have allowed Staff to review and analyze trends in customer service performance among the utilities year over year. This comparative analysis aids in designing and adjusting customer service performance mechanisms in utility-specific rate case proceedings. To incentivize better customer service performance by the utilities, these mechanisms utilize potential NRAs. The Commission-adopted rate plans for each utility specify the metrics against which the utility's performance will be assessed, the thresholds at which the utility will incur NRAs, and the accounting treatment for any incurred NRAs. Generally, a utility defers an NRA until that utility files its next rate case. These NRAs are regulatory liabilities that the Commission can use to offset a portion of the utility's revenue requirement during some future period for the benefit of customers.

² Pursuant to the rate plan in effect for NFG during most of calendar year 2024, it submitted monthly CSPI reports for informational purposes, however, it did not have metrics with performance targets or associated revenue adjustments for calendar year 2024. Case 16-G-0257, National Fuel Gas Distribution Corporation – Rates, Order Establishing Rates for Gas Service (issued and effective April 20, 2017), p. 73. Annual performance metrics, including potential NRAs became effective for NFG in January 2025. Case 23-G-0627, National Fuel Gas Distribution Corporation – Rates, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan with Minor Modifications (issued and effective December 19, 2024), pp. 72-75.

³ Case 15-M-0566, In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations, Order Adopting Revisions to Customer Service Reporting Metrics (issued August 4, 2017) (Metrics Order), p. 2. The utilities that submit monthly CSPI reports are: Central Hudson, Con Edison, KEDLI, KEDNY, NMPC, NFG, NYSEG, O&R, and RG&E.

⁴ Metrics Order, p. 21.

⁵ Case 91-M-0500, Proceeding on Motion of the Commission as to the Desirability of Establishing Customer Service Standards Applicable to Gas, Electric, Water and Steam Corporations, Order Directing Utilities to Supply Service Data (issued January 16, 1992).

Staff's audit findings show that Con Edison, Conning, KEDLI, KEDNY, Liberty Gas, O&R, and Veolia satisfactorily met their respective standard levels of customer service performance for calendar year 2024. Figure 1 below illustrates performance targets, actual performance, and incurred NRAs for the remaining utilities, Central Hudson, Liberty Water, NMPC, NYSEG and RG&E.

Utility	Metric	Target	Actual Performance	NRA Amount
Central Hudson	Customer Satisfaction Index	89.0%	74.0%	15 basis points (bps)
	PSC Complaint Rate	1.0	3.03	15 bps
	Central Hudson NRA Total			30 bps \$4.15 million
Liberty NYAW	Customer Satisfaction Survey	60.0%	58.0%	2.5 bps
	Liberty NYAW NRA Total			2.5 bps SA1 - \$63,647 SA2 - \$22,780
NMPC	Small/Medium C&I Customer Satisfaction Survey	78.0%	75.8%	3 bps
	Residential Customer Satisfaction Survey	82.0%	80.4%	6 bps
	NMPC NRA Total			9 bps \$3.7 million
NYSEG	Customer Satisfaction Survey	89.5%	84.7%	19 bps
	NYSEG NRA Total			38 bps \$11.2 million
RG&E	PSC Complaint Rate	1.00	1.1	6 bps
	Customer Satisfaction Survey	88.0%	83.9%	19 bps
	RG&E NRA Total			50 bps \$9.8 million
Total Utility NRAs in 2024				\$28.9 million

Figure 1 – 2024 Targets and Performances for Utilities that Incurred NRAs

For calendar year 2024, Central Hudson failed two of its customer service targets: the Customer Satisfaction Index and PSC Complaint Rate, incurring an NRA totaling 15 basis

points for the Customer Satisfaction Index metric and 15 basis points for the PSC Complaint Rate metric, a total of thirty basis points or approximately \$4.15 million. Over the same period, Liberty Water and NYSEG each missed one of their respective customer service targets. Liberty Water failed to meet its Customer Satisfaction Survey target, incurring an NRA of 2.5 basis points. NYSEG failed to meet its Customer Satisfaction Survey metric, resulting in an NRA of 19 basis points or roughly \$5.6 million. Additionally, NMPC and RG&E failed to meet two of their respective customer service metrics. NMPC did not meet its Residential Customer Satisfaction Survey or Small/Medium Commercial and Industrial Customer Satisfaction Survey targets, thus incurring NRAs of nine basis points, or about \$3.7 million. RG&E failed to meet its PSC Complaint Rate and Customer Satisfaction Survey performance targets, incurring NRAs totaling 25 basis points or approximately \$4.9 million dollars.

Staff notes that, per the terms of the most recent rate plans for NYSEG and RG&E, and upon the utilities' specific request, the customer service metric performance and NRAs for 2023 were divided into two separate periods: a "Stub Period" from January 2023 through April 2023 and a "Post Stub Period" from May 2023 through December 2023.⁶ If NYSEG and RG&E met their metric targets in the "Post Stub Period," these two utilities' maximum NRA for 2024 would not be held to the doubling provision established within their Joint Proposal. As approved by the Commission in its Order Adopting Joint Proposal, issued October 12, 2023, in Cases 22-E-0317, et al., when NYSEG and RG&E incur an NRA for failing to meet any of their respective customer service metric performance targets for two or more consecutive calendar years, then the assessed NRA for that individual metric is doubled in the second consecutive year.⁷ However, as NYSEG and RG&E each failed to meet their Customer Satisfaction Survey and PSC Complaint Rate targets,⁸ in the "Post-Stub Period," any potential NRAs for these metrics in 2024 will be doubled.

⁶ Cases 22-E-0317, et al., NYSEG and RG&E – Electric and Gas Rates, Order Adopting Joint Proposal, (issued October 12, 2023), p. 68, Attachment 1 (Joint Proposal), p. 27 and Appendix P.

⁷ Cases 22-E-0317, et al., supra, Order Adopting Joint Proposal, (issued October 12, 2023), p. 68.

⁸ Cases 22-E-0317, et al., supra, Service Quality Measure Filing, (filed January 30, 2024), p. 2.

STAFF REVIEW PROCESS

Because utilities are monopoly delivery service providers, they have little direct financial pressure to provide quality customer service. Consequently, Staff performs a variety of activities throughout the year to monitor the quality of customer service provided by the Utilities and to help ensure the fair and appropriate treatment of utility customers. Staff's annual audits ensure the accuracy of the Utilities' reported data and uncover any potential shortcomings or improvements that should be addressed in utility processes or procedures. These audits also confirm whether an NRA for poor customer service quality should be assessed to a utility, and, if so, that the utility incurs the correct amount.

Staff has audited the reported data for customer service performance measures in calendar year 2024 submitted by Central Hudson, Con Edison, Conning, KEDLI, KEDNY, NFG, NMPC, NYSEG, Liberty Water, O&R, RG&E, Liberty Gas, and Veolia, through virtual meetings and multiple interrogatories (IRs) to the utilities for detailed data on performance measures, replication of data, and verification of the calculations for the calendar year 2024 utility performance. As a result of this audit, Staff makes six recommendations, which are detailed later within this report and restated in Appendix B.

During its review of calendar year 2024 performance, Staff held virtual technical meetings to further discuss the processes, procedures, and to conduct real-time verification of the figures reported by the Utilities. These meetings allowed utility personnel to demonstrate system queries and process workflows used when compiling reports. O&R reported its Call Answer Rate as 82.8 percent in its annual CSPIM Report.⁹ However, during the audit verification process, Staff's review of the Company's monthly CSPI reports showed the Company's year-to-date Call Answer Rate performance as 83.6 percent.¹⁰ In a technical meeting with the utility, Staff requested additional clarification on this discrepancy, during which O&R representatives informed Staff this difference was, most likely, a transcription error. O&R representatives stated that O&R would resubmit the CSPI report for December 2024 in Case 15-M-0566 with the

⁹ Cases 21-E-0074, et al., Orange and Rockland Utilities, Inc. – Electric and Gas Rates, Annual Customer Service Performance Report, (filed February 26, 2025), p. 2.

¹⁰ Case 15-M-0566, In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations, Customer Service Performance Indicator Report for December 2024, (filed January 15, 2025).

corrected percentage. At the time of this report, no other utilities had discrepancies for the 2024 calendar year customer service performance data.

2023 Report Follow-Up

In June 2024, Staff filed its 2023 Annual Customer Service Performance Report (2023 Report),¹¹ which provided an overview of Staff's audit into the utilities' practices, procedures, and performance in 2023. Within the 2023 Report, Staff provided a recommendation to Central Hudson that it resubmit its monthly Performance Indicator Reports, from 2023 going forward, filed under Case 15-M-0566. This recommendation resulted from Staff's finding that the Customer Satisfaction Index data submitted in the monthly CSPI reports displayed year-to-date cumulative data each month, rather than the singular month's results. While the calculation of this data did not affect the 2023 year-end performance results, Staff's recommendation was for Central Hudson to further align its methodology for calculating its annual performance with the methodology used at other utilities and increase transparency when verifying monthly results compared to annual results. Staff's audit this year has confirmed that Central Hudson adopted the Staff recommendation and submitted revised Performance Indicator Reports for 2023 through 2024 with the corrected data.

2024 CUSTOMER SERVICE PERFORMANCE

The following sections describe each utility's customer service performance mechanisms' annual performance for calendar year 2024 and incurred NRAs. Appendix A to this report presents a breakdown of the service quality metrics effective at each of the utilities and their respective applicable PRAs and/or NRAs.

In recent years, the Commission has adopted rate plans for several of the Utilities in which the Commission modified the value of PRAs and NRAs associated with customer service performance mechanisms from fixed dollar amounts to basis point values. Beginning in 2024, all utilities with NRAs associated with their customer service performance are utilizing basis points to determine customer service-related NRA values. Establishing customer service

¹¹ Case 24-M-0057, In the Matter of Utility Customer Service performance for 2023, 2023 Customer Service Performance Report (filed June 20, 2024).

performance mechanisms with NRAs tied to basis point values allows for the incentive amounts earned or incurred to change over time, rather than remaining at a stagnant dollar value. A basis point for determining an NRA is generally calculated by measuring the change of one hundredth of one percent of the equity portion of a utility's rate base.¹² Therefore, the PRA/NRA basis point amounts vary year over year according to the relative size and specifics of each utility.

NYSEG and RG&E filed a petition with the Commission requesting waiver of the NRAs they incurred as a consequence of their 2024 results on the Customer Satisfaction Surveys and RG&E's performance for the PSC Complaint Rate, and initiation of a generic proceeding to investigate customer service metrics and their fairness and consistency across all of New York's major utility companies.¹³ Within this Petition, NYSEG and RG&E attributed their underperformance for the PSC Complaint Rate to an inflated number of customer complaints that should have been removed from the calculation, as NYSEG and RG&E claim the complaints had been resolved.¹⁴ NYSEG and RG&E also claim neutral responses are counted against the utilities and that the calculation for the Customer Satisfaction Survey is overly strict.¹⁵ NYSEG and RG&E further state that the NRAs will hurt customers, as the NRAs will affect the utilities' cash flow and weaken their financial ratios.¹⁶ NYSEG and RG&E also claim they are "treated more harshly with more stringent metrics and/or significant consequences..." when compared to the metrics at other New York utilities.¹⁷ A notice of this petition has been published in the State Register announcing a public comment period, and the petition will be brought before the Commission for its consideration at a future session.

¹² A basis point is equivalent to one hundredth of one percent of the equity portion of a utility's rate base grossed up for income taxes and a retention factor for various revenue-based costs included in a utility's revenue requirement (e.g., revenue taxes and uncollectibles). The equity portion of a utility's rate base is calculated by multiplying the utility's rate base by its equity ratio.

¹³ Cases 22-E-0317 et al., supra, NYSEG-RGE CS Performance Metric Waiver Letter, (filed February 24, 2025), p. 7.

¹⁴ Id., at pp. 3-4.

¹⁵ Id., at p. 4.

¹⁶ Id., at p. 4.

¹⁷ Id., at p. 5.

PSC Complaint Rate

PSC Complaint Rates are not self-reported by the Utilities. The Department of Public Service (Department) enters complaints received on behalf of the PSC into the Quick Resolution System (QRS). If a utility is unable to adequately address a customer's initial QRS complaint, the Department escalates the QRS complaint to a Standard Resolution System (SRS) complaint. Staff uses these escalated complaints to determine each utility's PSC Complaint rate.

As a performance measure, the PSC Complaint Rate factors in the number of customers served by a given utility. The Commission's rate orders for most utilities set the PSC Complaint Rate target as the number of SRS complaints per 100,000 customers. The methodology for assessing complaints at utilities serving customer populations less than 100,000 can depart from this standard. For example, the rate order for Corning sets the target as the outright volume of SRS complaints and requires Corning to limit the number of SRS complaints to three or less per calendar year.¹⁸

In 2024, Central Hudson's PSC Complaint Rate was 3.03 compared to a target of 1.0 or less, which resulted in Central Hudson incurring an NRA of 15 basis points for calendar year 2024. Central Hudson also incurred an NRA for poor performance on this metric in calendar year 2023 with a rate of 8.5 against a target of 1.0 or less. Central Hudson attributed its elevated PSC Complaint Rate to the continued challenges following the implementation in 2021 of its new Customer Information System, but has stated that it is improving its performance with additional staffing and "robust" training.¹⁹ Central Hudson personnel informed Staff during a technical meeting that other reasons for the increase to their PSC Complaint Rate are the full resumption of residential and non-residential service terminations following the COVID-19 pandemic, high bill/commodity price increases, customers lacking information/knowledge regarding participating projects such as solar or community distributed generation, and increased media coverage from elected officials and social media regarding estimated bills.

RG&E failed to meet its target of 1.0 or less for the PSC Complaint Rate, resulting in it incurring an NRA of 6 basis points. RG&E also incurred an NRA for failing to

¹⁸ Cases 21-G-0260, et al., Corning – Gas Rates, Order Adopting Terms of Joint Proposal, Establishing Rate Plan and Approving Merger (issued June 16, 2022), p. 38.

¹⁹ Cases 23-E-0418 and 23-G-0419, Central Hudson – Electric and Gas Rates, 2024 Annual Customer Satisfaction Index (CSI) Reporting (filed February 14, 2025), p. 4.

meet its PSC Complaint Rate target in calendar year 2023 with a performance of 8.1 and 4.3 in the “Stub Period” and “Post-Stub Period,” respectively. Therefore, under the terms of the applicable rate order,²⁰ the doubling provision will take effect, and the resulting 2024 NRA will increase from 6 basis points to 12 basis points, or approximately \$2.2 million. During technical discussions between Staff and NYSEG and RG&E personnel, NYSEG and RG&E reiterated that their failure to meet the designated targets is the result of high bill/increased commodity costs, billing delays due to their system flagging the customer’s usage as “implausible,” which resulted in manual bills, and customers receiving actual reads following a period of getting estimated bills. Further, NYSEG and RG&E stated that they have added additional resources to their Complaint Escalation team, created “implausible” bill thresholds that will reduce the manual bills being reviewed and created, and established a task force to address customer complaints, which should aid in reducing the PSC Complaint Rate for calendar year 2025.

As shown in Figure 2, Con Edison, KEDLI, KEDNY, NMPC, NYSEG, and O&R met their designated targets under their respective PSC Complaint Rate metrics and have not incurred any NRAs for this metric in 2024.

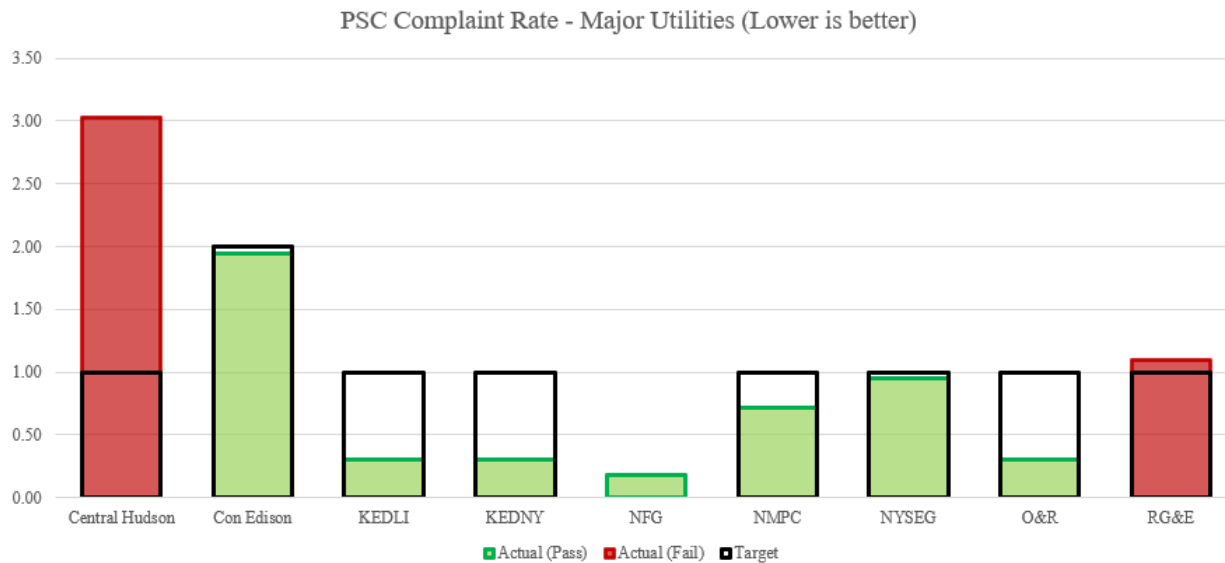


Figure 2 – PSC Complaint Rate: Major Electric, Gas, and Water Utilities

²⁰ Cases 22-E-0317, *et al.*, NYSEG and RG&E – Electric and Gas Rates, Order Adopting Joint Proposal, (issued October 12, 2023), pp. 67-68.

Con Edison reported in its annual filing that it had met the Commission-approved PSC Complaint Rate target for 2024²¹ of equal to or less than 2.0, with a performance of 2.0.²² However, Con Edison claims that 25 of those complaints should not be counted against the Company's performance, as these customer complaints were either: not in the Company's responsibility or control; complaints the Company did not have sufficient time to address prior to escalation; or, complaints related to high bills and pricing. The Company further states that should these complaints be removed from the Company's performance measurement, its PSC Complaint Rate would be reduced to 1.9.

The Office of Consumer Services releases a Monthly Report on Consumer Complaint Activity. The December 2024 Monthly Report filed January 28, 2025, shows that Con Edison had a PSC Complaint Rate of 1.95, successfully meeting its designated target of 2.0.²³

Figure 3, below, shows the performance for Corning, Liberty Gas, Liberty Water, and Veolia, all of which met their respective Complaint Metric targets for calendar year 2024.

²¹ Cases 22-E-0064 and 22-G-0065, Consolidated Edison Company of New York, Inc. – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, p. 6.

²² Cases 22-E-0064 and 22-G-0065, Consolidated Edison Company of New York, Inc. – Electric and Gas Rates, Con Edison Customer Service Performance Report RY2 (filed February 28, 2025).

²³ Matter 19-00950, In the Matter of Consumer Complaint Statistics – Office of Consumer Services, December 2024, (filed January 28, 2025), p. 4.

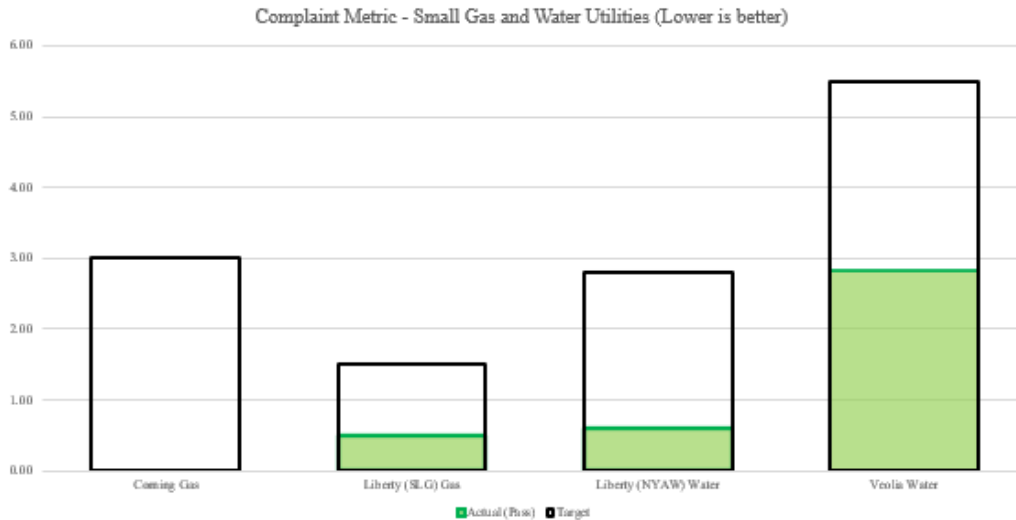


Figure 3 – PSC Complaint Rate: Small Gas and Water Utilities

Customer Satisfaction Survey

Each utility conducts a customer satisfaction survey(s) that the utility or a third-party contracted vendor administers. The Commission establishes customer satisfaction targets in each utility's respective rate plan. The utilities' calendar year 2024 performance are shown below in Figure 4. In calendar year 2024, Central Hudson, Liberty Water, NMPC, NYSEG, and RG&E failed to meet their respective Customer Satisfaction Survey targets.

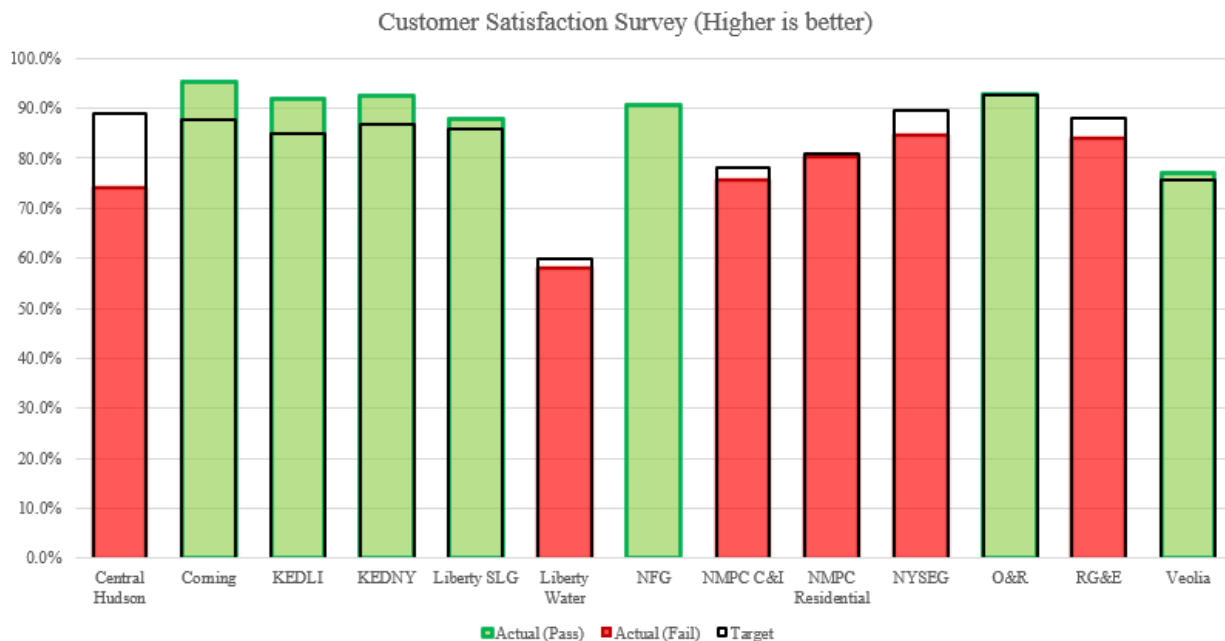


Figure 4 – Customer Satisfaction Survey

Central Hudson's Customer Satisfaction Survey performance of 74.0% for calendar year 2024 is below its minimum target of 89.0%, which resulted in it incurring an NRA of 15 basis points. Central Hudson began the implementation to transition its legacy Customer Information System (CIS) to a new CIS system, SAP, in September 2021.²⁴ Following this implementation, the Company has failed to meet customer service targets for the last three years.²⁵ While Central Hudson did improve in 2024 compared to 2023, in which it achieved a Customer Satisfaction Survey performance of 63.5%, Central Hudson has not been able to achieve pre-CIS implementation scores. Central Hudson has added call center staff and improved training for the front office customer service representatives and back-office customer support assistants to aid in improving its performance in 2024 through 2025.²⁶

Liberty Water failed to meet its Customer Satisfaction Survey target with a performance of 58%, below the 60% target level. Liberty Water's performance resulted in an NRA of 2.5 basis points. Pursuant to the applicable rate order, Liberty Water, used two service areas to differentiate its water districts.²⁷ In Service Area One, 2.5 basis points equates to approximately \$63,647, while in Service Area Two, 2.5 basis points is about \$22,780.²⁸ Liberty Water attributes its failure to meet the survey results due to customers' dissatisfaction with high bill costs. During technical discussions, Liberty personnel informed Staff that its current survey,

²⁴ Case 20-E-0428 and 20-G-0429, Central Hudson Gas & Electric Corporation – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan, (issued November 18, 2021), p. 49.

²⁵ Case 22-M-0054, In the Matter of Utility Customer Service Performance, 2021 Customer Service Performance Report (filed June 16, 2022); Case 23-M-0040, In the Matter of Utility Customer Service Performance, 2022 Customer Service Performance Report (June 22, 2023); and, Case 24-M-0057, In the Matter of Utility Customer Service Performance for 2023, 2023 Customer Service Performance Report (filed June 20, 2024).

²⁶ Cases 23-E-0418 and 23-E-0419, Central Hudson – Electric and Gas Rates, 2024 Annual Customer Satisfaction Index (CSI) Reporting (filed February 14, 2025), p. 4.

²⁷ Case 23-W-0235, Liberty Utilities (New York Water) Corp. – Water Rates, Order Adopting Terms of Joint Proposal and Establishing Rate Plan (issued August 15, 2024) (Liberty Water Order), pp. 6-7.

²⁸ Liberty Water Order, pp. 44-45.

with which the NRA is associated, is focused on the perception of the Company, rather than how it or its representatives handled a specific transaction. Liberty Water noted that, pursuant to its current rate plan, it started the process to transition to a transaction-based survey. However, Staff notes that the conversion of Liberty Water's metric to this transaction-based survey has not yet occurred. In its response to DPS-06, Liberty Water informed Staff that it had a response rate of 1.4% out of the 110,502 accounts that were contacted for a survey. Staff recommends the Company investigate alternative methods for improving the response rate, which may improve customer satisfaction results (**Staff Recommendation No. 1**).

NMPC also missed its residential customer satisfaction survey target, with a result of 80.4% against a minimum target of 82.0%, resulting in it incurring an NRA of six basis points. NMPC also failed to meet the 78.0% target for its small and medium commercial and industrial customer satisfaction survey, resulting in it incurring an NRA totaling three basis points. NMPC attributed the miss to customers' dissatisfaction with high bills, billing and payment issues, delays in connecting gas and electric services, and frequent outages.²⁹ Staff held a technical meeting with NMPC representatives to discuss its 2024 Customer Satisfaction Survey results. Currently, NMPC conducts surveys via the telephone. NMPC stated that it has been challenging to obtain the number of responses needed to meet the level that would serve as a sample size of their customer population. Further, NMPC representatives informed Staff that NMPC has been unable to resolve customer's initial issues at first contact. Therefore, they suggest that customer satisfaction survey scores may not be reflective of the actions NMPC has taken following the initial point of contact, but rather a depiction of customers' initial disgruntlement. Additionally, the current customer satisfaction survey NMPC uses is long, at 28 questions, and the question used for the metric is toward the end of the survey. NMPC stated it would explore alternative methods for surveying customers, such as text messaging, which could reach more customers with a short survey.

Both NYSEG and RG&E failed to meet their respective targets of 89.5% and 88.0%, resulting in these two utilities each incurring maximum NRAs of 19 basis points. For calendar year 2024, NYSEG's Customer Satisfaction Survey performance was 84.7%, while RG&E's was 83.9%. Since both of these utilities failed their Customer Satisfaction Survey

²⁹ Cases 20-E-0380, et al., NMPC – Electric and Gas Rates, 2024 NMPC Annual Customer Service Performance Indicators Report (filed March 31, 2025).

metrics in the 2023 “Post Stub Period” and for calendar year 2024, NYSEG and RG&E’s incurred basis points for these metrics are doubled. Therefore, NYSEG’s NRA of 19 basis points for the Customer Satisfaction Survey will increase to 38 basis points, or approximately \$11.2 million. RG&E did not meet the targets for the Customer Satisfaction Survey metric, which will result in the Company’s NRA also increasing from 19 basis points to 38 basis points, or approximately \$7.1 million.

In a technical meeting with Staff, NYSEG and RG&E representatives stated that their current survey is approximately 10 to 12 questions, and the satisfaction question counted for the metric is in the middle of the survey. NYSEG and RG&E personnel stated that weather-related outages, high commodity prices/high bills, opinions about the utility industry in general following the COVID-19 pandemic, and unforeseen circumstances resulting in outages resulted in decreases to NYSEG and RG&E’s Customer Satisfaction Survey score.

Figure 5 shows Con Edison’s Customer Satisfaction Survey performance separately as the Commission approved Con Edison’s use of the Pilot Statewide Customer Satisfaction Survey in its most recent rate order for Con Edison.³⁰ The statewide pilot survey is scored on a five-point scale, with a score of “1” being “Very Dissatisfied” and a score of “5” is “Very Satisfied.”³¹ As shown below, Con Edison met the target levels for its performance of both the Emergency Interactions Survey and the Non-Emergency Interactions Survey.

³⁰ Cases 22-E-0064, et al., Con Edison – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, pp. 4-5.

³¹ Case 15-M-0566, Order Authorizing Implementation of a Pilot Statewide Customer Satisfaction Survey, (issued October 18, 2018), p. 5.

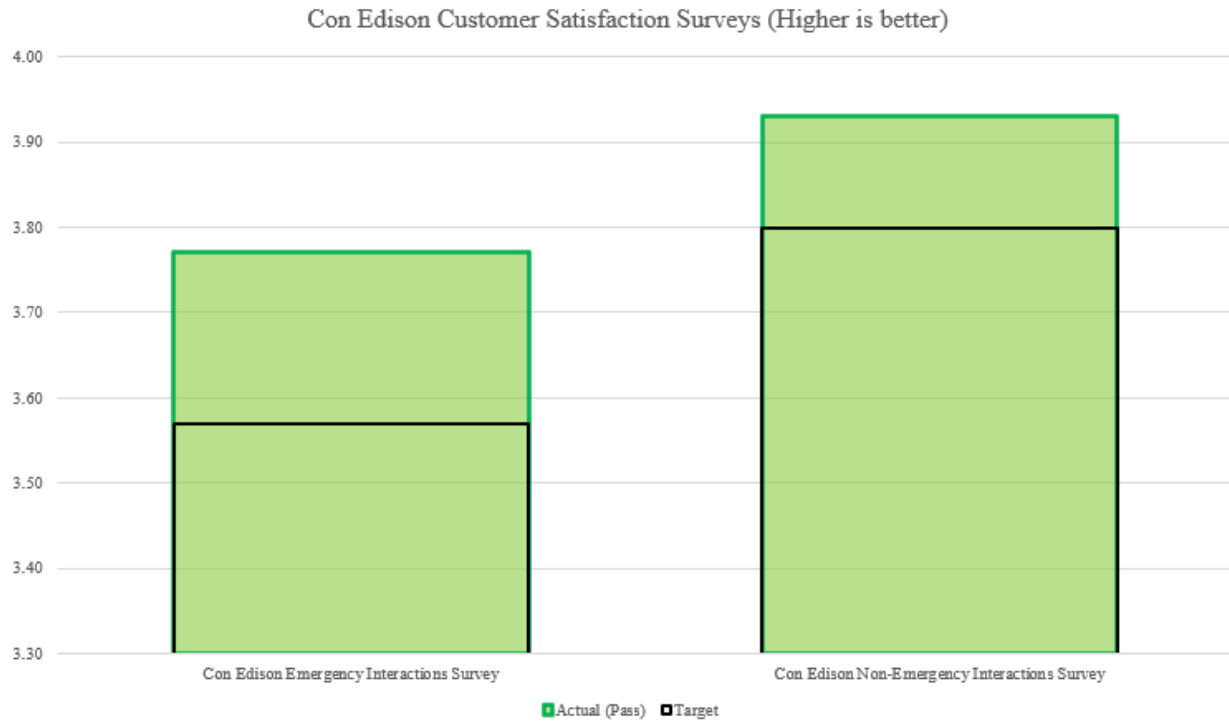


Figure 5 – Con Edison Customer Satisfaction Survey

As a result of the Metrics Order, the utilities, interested stakeholders, and Staff held a series of collaborative meetings to establish a Uniform Statewide Survey on a pilot basis. This survey, based on transactions between the major utilities and customers, would be one or two questions, which assist in determining customer satisfaction. This survey measure commenced in January 2019 and the utilities have continued to report their performance results of this survey since. As part of the discussions with the utilities and throughout Staff’s review of the interrogatory responses in this proceeding, Staff discovered that the response rate of the currently implemented surveys have continued to remain low. To reach more customers, Staff recommends the reevaluation of the use of the Uniform Statewide Survey as a measurement of customer satisfaction that can work in conjunction with or as a substitute of the currently implemented surveys (**Staff Recommendation No. 2**). Additionally, Staff and the utilities should convene to discuss the viability of alternative methods of communication, such as text messages, chat messages, and app pop-ups, that may be utilized to further survey customers (**Staff Recommendation No. 3**).

Call Answer Rate

Utilities answer customer telephone calls either through internal call centers, outside third-party vendors, or a combination of the two. The Call Answer Rate metric examines the percent of customers who request to speak with a customer service representative (CSR) and are answered by a CSR within 30 seconds. The Call Answer Rate is defined as the number of total calls answered within 30 seconds divided by the number of total calls requesting a representative less all calls abandoned within 30 seconds multiplied by 100.³² The Commission permitted the utilities to choose whether to include dedicated line phone calls, provided to customers for specific purposes such as electric or gas emergency calls, in their respective metric formulae for the monthly CSPI reports.³³ NFG, NYSEG, RG&E, and O&R exclude specific phone lines from their call answer rate metrics. NFG excludes Special Assistance Group calls from social service agencies, Public Service Commission calls for quality assurance, meter reading customers who enter via the phone keypad, and calls made to third-party vendors for payment processing.³⁴ NYSEG and RG&E exclude calls received from a Department of Human Services dedicated line.³⁵ O&R excludes calls directly to the life support equipment and new business hotlines.³⁶

For calendar year 2024, as shown in Figure 6, all New York utilities with the Call Answer Rate metric successfully achieved their designated performances and none will incur NRAs for this metric in 2024. Compared to 2023, when Central Hudson, NYSEG, and RG&E failed to meet their respective targets for the Call Answer Rate metric, the 2024 performance results are a positive indication that potential NRAs encourage utilities to make customer service improvements to meet their Commission-approved performance targets.

³² Metrics Order, Appendix, p. 5.

³³ Metrics Order, pp. 12-13.

³⁴ Case 15-M-0566, supra, NFG CSPI 2024-12 Report (filed January 31, 2025).

³⁵ Case 15-M-0566, supra, NYSEG and RGE Performance Indicator Report 01-2025 (filed February 28, 2025).

³⁶ Case 15-M-0566, supra, Orange and Rockland Utilities PIR Report February 2025 (filed March 14, 2025).

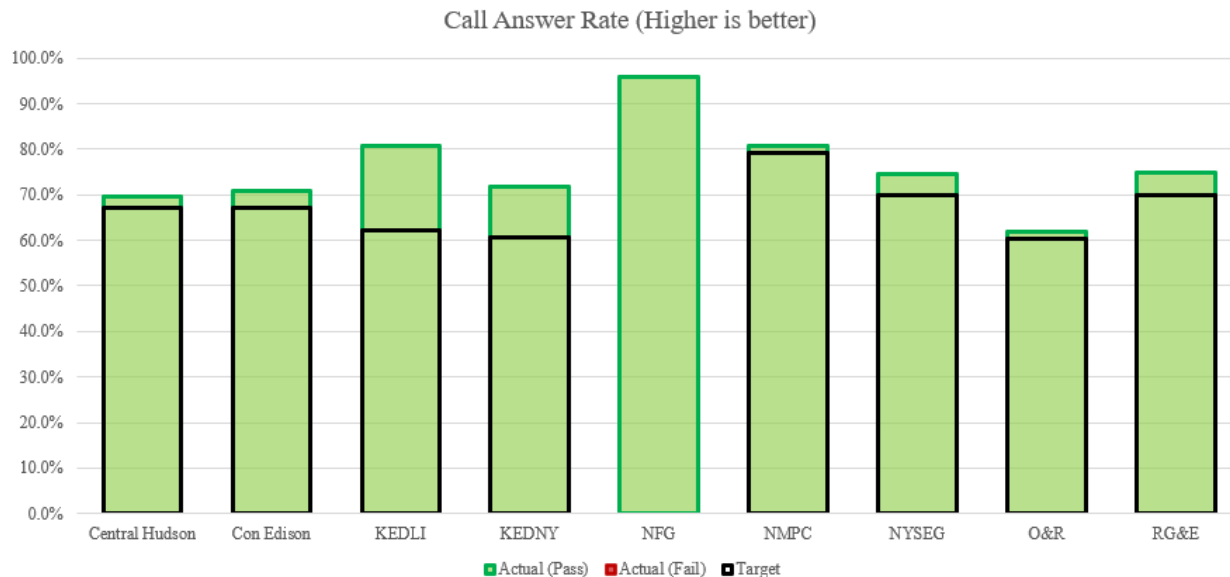


Figure 6 – Call Answer Rate

Staff recommended in the 2022 Customer Service Performance Report, that utilities should commence the tracking of abandoned calls during specific timeframes, such as less than 30 seconds, less than one minute, greater than one minute, greater than two minutes, etc.³⁷ While the majority of utilities have implemented this tracking, or a modified version of this recommendation, Liberty Gas and Liberty Water stated in their responses to IRs that they do not have the capability to report the abandoned calls outside of 60 seconds. Similarly, Orange and Rockland stated in its response to IRs that it does not have the capability to track calls abandoned after 180 seconds. Finally, Veolia could only provide the number of abandoned calls and average time customers were on hold before abandoning the call.

Given that customer hold times are increasing with the complexity of calls, Staff reaffirms the recommendation from the 2022 Customer Service Performance Report and recommends that all utilities, if they have not already done so, commence detailed tracking of abandoned calls during specific timeframes, such as less than 30 seconds, less than one minute, greater than one minute, greater than two minutes, greater than five minutes, greater than 10 minutes, greater than 15 minutes, etc., **(Staff Recommendation No. 4)**.

Additionally, Con Edison's Joint Proposal includes a calculation for the Call

³⁷ Case 23-M-0040, In the Matter of Utility Customer Service Performance, 2022 Customer Service Performance Report, (filed June 22, 2023), p. 13.

Answer Rate³⁸ that is not consistent with the Metrics Order.³⁹ Con Edison's Call Answer Rate calculation is "the sum of the system-wide calls answered by a representative within thirty (30) seconds divided by the sum of the system-wide number of calls answered by representatives."⁴⁰ The Metrics Manual details the calculation to be:

$$\frac{\text{Number of total calls answered within 30 seconds}}{\text{Number of total calls requesting a representative} - \text{all calls abandoned within 30 seconds}} \times 100$$

Based on the language within Con Edison's Joint Proposal, calls abandoned, both within 30 seconds and outside of the thirty second window, are not factored into the Call Answer Rate calculation. Staff recommends that all utilities, if they have not already done so, implement the above formula, which is outlined within the Metrics Manual, in future rate case proceedings, so that all New York utilities use a consistent calculation for the Call Answer Rate (**Staff Recommendation No. 5**).

Adjusted and Estimated Bills

An adjusted bill is a bill a utility renders to a customer to correct a prior bill for the same billing period. Generally, utilities issue adjusted bills to correct for estimated bills based on estimated meter reads after an actual meter reading. Some utilities schedule meter reads bimonthly and rely on estimated reads in the months where an actual reading is not obtained, and in other circumstances where an actual meter reading cannot be obtained. The remainder of the utilities read meters monthly and rely on estimates in circumstances where an actual meter reading cannot be obtained.

The Commission aims to keep the number of estimated bills as low as possible, and through utility rate cases, sets targets based on the number of estimated bills as a percentage of the total number of bills issued in the calendar year. The Commission's Rate Order for KEDLI and KEDNY set the minimum targets for their Adjusted Bills metric at less than 0.62%

³⁸ Cases 22-E-0064, et al., Con Edison – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, p. 4.

³⁹ Metrics Order, Appendix, p. 5.

⁴⁰ Case 23-M-0040, In the Matter of Utility Customer Service Performance, 2022 Customer Service Performance Report, (filed June 22, 2023), p. 13.

for each utility.⁴¹ KEDLI and KEDNY's performance levels for calendar year 2024 were 0.16% and 0.40%, respectively. Therefore, neither KEDLI, nor KEDNY, will incur NRAs in calendar year 2024 for adjusted bills.

NYSEG and RG&E successfully met their estimated bill targets of 4.33% and 10.02%, respectively with performances of 2.08 percent and 2.97 percent of bills estimated. While NFG does not have a Commission approved designated target performance for estimated bills in 2024, Staff notes that NFG had the highest percentage of estimated bills for the year at 13.25%.

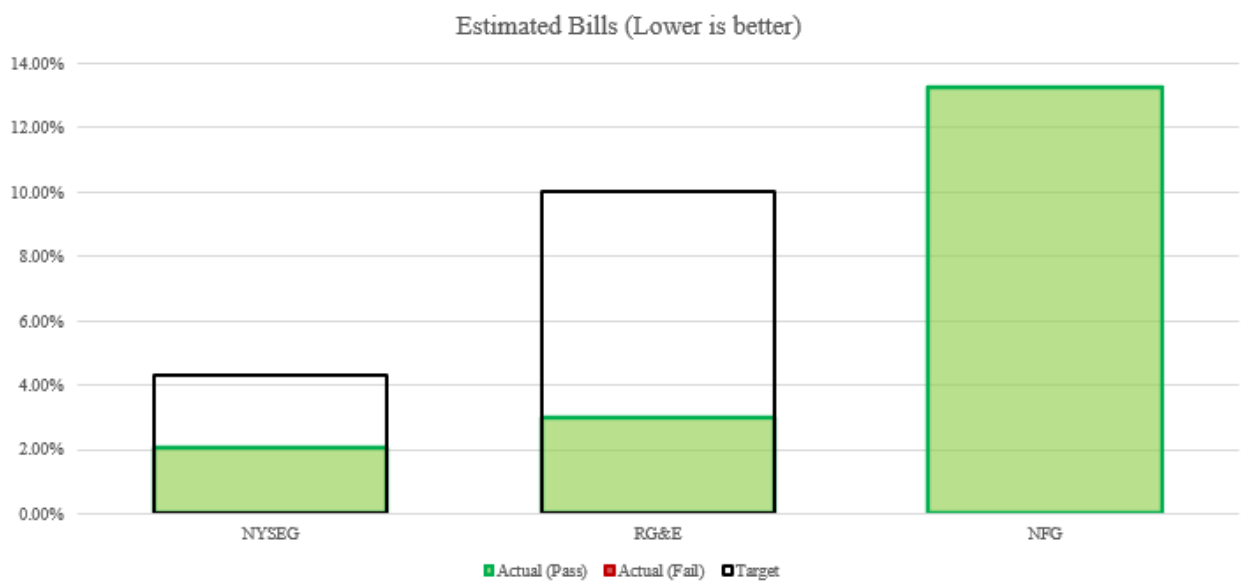


Figure 7 – Estimated Bills

Con Edison's rate plan established two metrics to measure the percentage of bills that have been estimated or delayed more than 125 days.⁴² These metrics differ from the percentage of estimated bills metric reported within monthly CSPI reports and provide insight into the number of customers who receive estimated or delayed bills for prolonged periods of

⁴¹ Cases 23-G-0225, et al., KEDNY and KEDLI – Gas Rates, Joint Proposal (filed April 9, 2024), p. 72.

⁴² Cases 22-E-0064, et al., supra, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements, (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 24.

time. While not included in monthly CSPI reports, Con Edison reports on these metrics quarterly and annually within Cases 22-E-0064 and 22-G-0065. In calendar year 2024, Con Edison did not exceed target thresholds for either metric and therefore did not incur any NRAs related to estimated or delayed billing.⁴³

Appointments Kept and Missed Appointment Credits

When a utility sets up an appointment with a customer, the utility has the responsibility to meet that customer at the designated location, time and date, whether the task involves a meter reading, safety inspection, or other utility function. If a utility fails to arrive at a customer appointment within the designated window, it is considered a missed appointment. Most of the utilities, as shown in Figure 8, below, must issue a bill credit to the affected customer for each missed appointment. The utilities' tariffs specify the credit amount, which ranges between \$20 and \$60, and the conditions under which the utilities must issue the missed appointment credits for residential or non-residential customers. Figure 8 includes the number of missed appointment credits issued and the total dollar value for each utility that issued these credits in calendar year 2024.⁴⁴

Utility	Credits Issued	Value of Credits Issued
KEDNY	1,759	\$52,770
NMPC	614	\$18,420
KEDLI	460	\$13,800
NYSEG	66	\$2,310
RG&E	53	\$1,610
O&R	53	\$1,325
Con Edison	14	\$700
Central Hudson	27	\$540

⁴³ Cases 22-E-0064, et al., supra, Estimated and Delayed Billing Metrics Q4 Combined (filed January 30, 2025).

⁴⁴ Liberty SLG, Liberty Water, Veolia and NFG do not provide bill credits for missed appointments.

Corning	0	\$0
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Figure 8 – Appointments Missed and Credits Provided to Customers

Staff compared the total number of appointments made at each utility listed in Figure 8, using the verified monthly performance reports and data provided in the utilities’ interrogatory responses. In 2024, there were approximately 114,000 customer appointments made at KEDNY, 109,000 at NMPC, and 28,000 at KEDLI. Meanwhile, for the same timeframe, NYSEG had around 5,000 appointments made, and RG&E had approximately 6,000 appointments made. Staff determined that when comparing the number of credits issued to customers against the number of appointments made, KEDNY, NMPC, and KEDLI’s results are within the normal variance of appointments missed.

In response to Staff’s interrogatories regarding the utilities’ missed appointment processes and procedures, Corning submitted its Missed Appointment Policy. The Missed Appointment Policy provides language describing how appointments will be scheduled and tracked, service orders completed, and the issuance of missed appointments. In addition, the policy states that, “[i]f the utility determines that due to severe inclement weather that Field Technicians are only to be out for emergencies, and appointments must be rescheduled, these do not count as missed appointments...” Staff understands the Company’s need to safeguard its personnel, however, this language was not detailed in the joint proposal the Commission adopted in the most recent rate order for Corning.⁴⁵ Therefore, Staff recommends Corning adjust its missed appointment policy to reflect the language in its Commission-approved rate plan (**Staff Recommendation No. 6**). Should the Company decide to propose a weather-related exclusion for missed appointments, it should do so in a future rate proceeding.

Outage Notification Incentive Mechanism

Con Edison continues to report on its Outage Notification Incentive Mechanism

⁴⁵ Cases 21-G-0260, et al., Corning – Gas Rates, Order Adopting Terms of Joint Proposal, Establishing Rate Plan and Approving Merger (issued June 16, 2022), Joint Proposal, p. 27.

(ONIM), as required by its rate plan.⁴⁶ This mechanism requires the utility to provide communications to customers, the public, and other external interested parties during electric service outage events. Should Con Edison fail to adequately conduct outreach to the designated recipients, it would incur NRAs. No event triggered activation of this mechanism in calendar year 2024 and, as a result, the utility did not incur an NRA. The Department's Office of Resiliency and Emergency Preparedness tracks Con Edison's performance pursuant to the ONIM.

Residential Collections Mechanism

The Residential Collections Mechanism establishes two or three performance targets around: residential customer service terminations, residential customer uncollectibles, and/or residential customer arrearages. Should a utility's residential customer terminations, arrearages, and/or uncollectibles be lower than a specified target established in its rate plan, the company would be eligible to earn a PRA. All utilities have continued to pause the Residential Collections Mechanisms within their respective rate plans, because of the Covid-19 Pandemic and the 2020 and 2021 Moratoria on Terminations.

PSEG LI

Under the terms of the Second Amended and Reinstated Operations Services Agreement effective April 2022, LIPA and PSEG LI negotiate specific incentive compensation for performance metrics, which include quantitative targets and/or project deliverables.⁴⁷ The metrics measure and evaluate PSEG LI's performance and service provided to residential and non-residential customers. DPS reviews and provides recommendations regarding the metrics, targets, and deliverables prior to them being finalized as well as after the year has concluded when PSEG LI's performance is evaluated and incentive compensation earned is determined by

⁴⁶ Cases 22-E-0064, *et al.*, *supra*, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023), Attachment 1 (Joint Proposal), Appendix 21, p. 5.

⁴⁷ Second Amended and Restated Operations and Services Agreement Between the Long Island Power Authority and PSEG Long Island, LLC, Appendix 4.3(C)(I)(B) (effective April 1, 2022), available at <https://www.lipower.org/wp-content/uploads/2022/04/2nd-AR-OSA-in-effect-on-4-1-2022-1.pdf>.

LIPA. Partial compensation or tiers of compensation may also be negotiated by LIPA and PSEG LI for certain metrics. The Customer Service metrics for 2024 included J.D. Power Customer Satisfaction Survey (residential and business), Contact Center Service Level, Billing Cancelled Rebill, DPS Complaint Rate, Net Dollars Written Off, and Arrears Aging Percentage Greater than 90 Days.

PSEG LI achieved the metric targets set for Billing Cancelled Rebill, DPS Complaint Rate, and Net Dollars Written Off to earn full compensation and failed to achieve the metric targets set for Contact Center Service Level and Arrears Aging Percentage Greater than 90 Days. PSEG LI earned partial compensation as it successfully carried out qualitative project deliverables for the J.D. Power Customer Satisfaction Survey (residential and business) yet failed to fully satisfy the metric as it did not achieve the specified quantitative targets.

CONCLUSION

During the 2024 customer service performance audit process, Staff examined the utilities' 2024 performance along with the modifications utilities have made since Staff's 2023 customer service performance audit. Staff continually seeks improvement in utility customer service and on CSPI reporting throughout the rate case processes. For calendar year 2024, seven out of 12 electric, gas, and water utilities' performances on measures of customer service performance were satisfactory. For Central Hudson, NMPC, NYSEG, RG&E, and Liberty Water, the utilities acknowledged their efforts to correct the issues that led to declines in customer service throughout calendar year 2024 and provided the methods being utilized to improve their performance going forward. Staff will explore modifications to existing performance-based ratemaking strategies as well as adding additional protections to promote customer service quality in conformance with Commission policies for all New York State utilities.

Chart of Utility Metrics

Calendar Year 2024										
	Call Answer Rate	Customer Satisfaction Survey	PSC Complaint Rate	Complaint Metric (Small Utility)	Adjusted Bills	Estimated Bills	ONIM	Con Edison Emergency Survey	Con Edison Non-Emergency Survey	Residential Collections Mechanism
Central Hudson	X	X	X							X
Con Edison	X		X				X	X	X	X
Corning		X		X						X
KEDLI	X	X	X		X					X
KEDNY	X	X	X		X					X
Liberty SLG		X		X						X
Liberty Water		X		X						
NMPC	X	X	X							X
NYSEG	X	X	X			X				X
O & R	X	X	X							X
RG&E	X	X	X			X				X
Veolia		X		X						

Legend: X = Failed Target X = Met Target X = Not Applicable/Forgone Mechanism in 2024 *= no breakdown by elec/gas

Staff Recommendations

1. Staff recommends Liberty Water investigate alternative methods for improving the response rate, which may improve customer satisfaction results.
2. To reach more customers, Staff recommends the reevaluation of the use of the Uniform Statewide Survey as a measurement of customer satisfaction that can work in conjunction with or as a substitute of the currently implemented surveys.
3. Staff and the utilities should convene to discuss the viability of alternative methods of communication, such as text messages, chat messages, and app pop-ups, that may be utilized to further survey customers.
4. Staff reaffirms the recommendation from the 2022 Customer Service Performance Report and recommends that all utilities, if they have not already done so, commence detailed tracking of abandoned calls during specific timeframes, such as less than 30 seconds, less than one minute, greater than one minute, greater than two minutes, greater than five minutes, greater than 10 minutes, greater than 15 minutes, etc.
5. Staff recommends that all utilities, if they have not already done so, implement the formula, which is outlined within the Metrics Manual, in future rate case proceedings, so that all New York utilities use a consistent calculation for the Call Answer Rate.
6. Staff recommends Corning adjust its missed appointment policy to reflect the language in its Commission-approved rate plan.