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Q. Would the members of the Customer Operations Panel please state their names and business addresses?

A. Andrew G. Wood, Joanna Wolff, Janet Nevin, Richard McKnight and Alfred Frederiksen. The business address of Mr. Wood, Ms. Nevin and Mr. Frederiksen is 4 Irving Place, New York, NY 10003; the business address of Mr. McKnight is 30 Flatbush Avenue, Brooklyn, NY 11217; and the business address of Ms. Wolff is 88-11 165th Street, Queens, NY 11432.

Q. By whom are the Panel members employed?

A. We are employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company").

Q. In what capacity are the Panel members employed and what are their professional backgrounds and qualifications?

A. (Wood) I am General Manager of Strategic Applications. I have been employed by Con Edison since 1972. My current responsibilities include oversight of various operating components: the Final Bills collection group, Public Assistance processing group, and the Replevin processing group. My organization also provides subject matter expertise and operational support in the areas of system design and
implementation, metering and billing systems, credit/collections, and Management Information Systems reporting. I have held positions of increasing responsibility in Customer Operations during the past 40 years. From 1972 to 2009, I have held operating positions in all the functional areas of Customer Operations, including the Division Manager of Customer and Commercial Operations, Section Manager of Customer Operations Central Staff, Department Manager of Staten Island Customer Operations, and Branch Manager. From 1999 to the present, I have served as General Manager, Strategic Applications, on Central Staff. Before I joined Con Edison, I earned a Bachelor of Science degree in Economics from Siena College in 1969. From 1969 to 1971, I served as an officer in the United States Army. I earned a Master of Business Administration ("MBA") in Business Management from Fairleigh Dickinson University in 1986. I attended Company-sponsored training, including the Executive Management Development course at the Fuqua School of Business, Duke University, Durham, N.C. (Wolff) I am the General Manager of Field Operations in Customer Operations. I am responsible for meter
reading and field collections throughout the service
territory. I am also responsible for theft-of-service
investigations and the Field Operations Performance
Management Group. I have been employed by Con Edison
for 34 years and have held a variety of management
positions within Con Edison. I have worked in
Customer Operations since 1996 in the positions of
Section Manager at the Rye Call Center and General
Manager, Westchester Customer Operations. I became
the General Manager of Field Operations South in 2006.
Prior to joining Customer Operations, I held the
positions of: General Manager, Operations Analysis;
Director of the Learning Center; Assistant to the
Executive Vice President, Central Operations;
Administrative Manager, Nuclear Power; and Personnel,
Safety Training Manager, Power Generation Maintenance.
I was hired into the Company in 1978 as an Associate
Analyst and worked at various generating stations and
Power Generation Services as a Personnel Supervisor
and Operating Supervisor. I earned a Bachelor’s
Degree from Queens College in Economics and Secondary
Level Education in 1977 and a Master of Science in
Business Management from Mercy College in 1998. I
also attended Company-sponsored training, including Executive Management Development courses at the Fuqua School of Business, Duke University, in 1988, and Tuck Business School at Dartmouth College in 1990.

(McKnight) I am General Manager of the Customer Assistance group in Customer Operations. My group includes the Company’s Call Center, back office functions including billing, credit operations and customer investigations, as well as the Company’s Walk-in Centers. I have been employed by Con Edison for 34 years and have held a variety of positions within Customer Operations, in addition to a position early in my career in the Accounting Research and Procedures section of the Accounting Department. The Customer Operations positions held prior to my current position include the General Manager of Specialized Activities, Section Manager of the Corporate Customer Group and Branch Manager. I joined Con Edison as a Customer Service Representative while earning my Bachelor of Science degree in Accounting from Long Island University. I also have an MBA in Executive Management from St. John's University.
(Nevin) I am the Section Manager of Quality Assurance in Specialized Activities which includes the Corporate Customer Group, Retail Choice Operations, Executive Action Group, Unmetered and Meter Services, Meter Data Management Team, and Telecom Applications. I have held this position since 2009. I have been employed by Con Edison for 29 years. Joining the Company in 1983 as a management intern, I have held positions of increasing responsibility. The Customer Operations positions held prior to my current position include: Section Manager in Call Center, Senior Specialist in Call Center & Quality Assurance, Supervisor in various Customer Operations departments. I have a Bachelor of Arts degree in English and Political Science and an MBA in Finance from Iona College, New Rochelle, NY.

(Frederiksen) I am the Department Manager for Customer Outreach and Education. I have held this position since 2011. I joined Con Edison as the Section Manager in Customer Assistance in 2009. Prior to working for Con Edison, I was employed by Verizon where I held several positions in customer operations, software engineering and process improvement. Prior to joining Verizon, I held positions in multi-cultural
CUSTOMER OPERATIONS PANEL - GAS

area marketing, human resources and training and
development. I have a Bachelor of Science in Business
Management from the State University of New York –
Empire State College and an MBA from C.W. Post-Long
Island University.

Q. Have you previously submitted testimony or testified
before the New York State Public Service Commission?
A. All of the panel members, except Ms. Nevin and Mr.
Frederiksen, have either submitted testimony or
tested in previous cases.

Q. What is the purpose of the Panel’s testimony?
A. Our testimony describes a number of important
customer-service related programs that include capital
programs needed to support customer care and comply
with regulatory requirements and other programs that
support the Company’s efforts to provide information
and education to its customers and address the needs
of customers receiving public assistance. Our
testimony also provides information on the Customer
Service Performance Mechanism.

In total, the Company projects to spend $39.5
million in 2013, $32.4 million in 2014, $28 million in
2015, $26.2 million in 2016 and $28.5 million in 2017
on customer-service related capital programs. It projects increased O&M spending of $1.7 million for the rate year (January 1, 2014 – December 31, 2014). For the two succeeding twelve-month periods ending December 31, the Company projects O&M spending of $1.7 million in 2015 and $1.9 million in 2016.

Q. Please summarize your testimony.

A. The Company’s testimony addresses a number of customer-service related efforts that the Company plans to continue or to undertake over the next several years. These include capital programs and other programs as described below.

1. Automated Meter Reading (“AMR”) - The Company plans the continued deployment of AMR under two initiatives: 1) “Saturated AMR”, and 2) "Strategic AMR." Saturated AMR involves the installation of AMR in The Bronx and other areas at a cost of $87.7 million through 2017. Strategic AMR is the deployment of AMR in locations where conventional meter reading yields poor results and to replace obsolete remote meter reading devices for a cost of $7.46 million through 2017.
2. Intelligent Routing and Information System Handheld Device Replacement - The Company plans to spend $1.2 million for the deployment of new handheld devices for field operations to replace the current handheld devices that will not be supported beyond 2013.

3. Call Center Improvements - The Company plans to spend $3.4 million on capital costs associated with the completion of Call Center Improvements in 2013. An increase of $169,000 in O&M costs associated with this program will be experienced in the twelve-month period ending December 31, 2015.

4. Customer Service System ("CSS") Improvements - The Company plans to make improvements to its CSS to enable its continued operation and support of customer care business processes. The costs for CSS improvements are $25 million through 2017.

5. Off-System Billing - The Company is in the process of migrating the off-system billing applications to a common automated customer care and billing application that will support these billing activities and provide automation of these processes. Through 2017, the projected cost of these efforts is $6.4 million.
6. Competitive Market Customer Service Systems - The Company plans to make improvements that are needed to the systems that support customer choice to better facilitate customer care functions. Through 2017, the cost of these efforts is projected to be $5.1 million.

7. On-Bill Recovery ("OBR") Program - The Company has been ordered to provide billing and collections services in support of the New York State Energy Research and Development Authority’s ("NYSERDA") loan program for qualifying residential and non-residential customers who install energy efficiency measures on their property under the Green Jobs - Green New York Loan Installment Program pursuant to the Power NY Act of 2011 (L.2011, c. 388). Installments for such loans are shown on, and collected through, the customer’s utility bill. To implement the billing and collection of loan installments on customer bills, the Company had to develop and implement system modifications and new business processes. Work involved modifications to the Company’s CSS to support the automation of various processes associated with OBR. The Company
CUSTOMER OPERATIONS PANEL – GAS

plans to spend an additional $0.5 million in 2013 to complete system work. In addition, the Company hired a Senior Specialist to administer this program at a cost of $100,000.

8. Electronic-Payment Processing – The Company plans to spend $1.4 million through 2014 to develop a system application to process payments received from customers electronically (“electronic payments”).

Q. Are some of your programs applicable to both Electric and Gas services?

A. Yes. We note that our testimony describes the total costs of common programs. The Electric and Gas Accounting Panels describe the allocation of these costs between electric and gas service.

Q. Does your testimony address any other topics?

A. Yes. Our testimony also addresses Customer Operations’ cultural initiatives with respect to the Management Audit, the Company’s Customer Service Performance Mechanism, Low Income Program and Outreach.

Q. Describe how the Company’s response to the cultural barrier identified in the Management Audit affected the way you conduct your operations.
A. The Company’s cultural imperatives drive the way we do business. It is necessary for us to be open, fair, trusted and trusting to our customers, employees and stakeholders and to engage them in every aspect of our business in order to gain the customer information and insights that we need to sustain quality customer care. In addition, with an imperative to manage customer costs, we strive to engage all our employees, both management and weekly, in seeking and developing cost savings initiatives.

1. **AUTOMATED METER READING ("AMR")**

   (a) **Saturated AMR**

Q. Please describe Con Edison’s proposed Saturated AMR program.

A. The Company refers to the deployment of AMR as “saturated AMR” when AMR technology is installed on every meter in a large target area. The Company completed its project to deploy saturated AMR throughout Westchester County in 2010. This project produced excellent results, including reduced operating costs and improved meter reading performance. To maximize these benefits, the Company plans to continue the saturated installation of AMR at
locations in its service territory that produce a positive business case.

Q. Please describe in more detail the Company’s plan for the saturated installation of AMR.

A. Beginning in 2011, the Company began saturated deployment of AMR meters and devices in the eastern portion of The Bronx ("Bronx East"). Of the 275,000 electric and gas meters in Bronx East where AMR will be deployed under this program, the Company installed 120,000 meters and devices in 2011 at a cost of $16 million. During 2012, the Company installed approximately 100,000 meters at a projected cost of $15.6 million. The Company plans to complete the Bronx East project in 2013 by installing the remaining meters at a cost of approximately $6 million.

Starting in 2013, once the Bronx East project is completed, the Company plans to begin saturated deployment of AMR meters and devices in the rest of The Bronx ("Bronx West"), which has more than 450,000 electric and gas meters and will require approximately 4 years to complete. Anticipated funding requirements for Bronx West are: 2013 - $11.9 million, 2014 - $17.5 million, 2015 - $18.1 million, 2016 - $17.1
million, and 2017 - $5.7 million. In 2017, the Company also plans to spend an additional $11.4 million to begin deployment of Saturated AMR in areas outside of The Bronx.

Q. How will the Company select the areas for saturated deployment of AMR following completion of The Bronx projects?

A. As in the past, the Company will evaluate each AMR expansion project individually and conduct a cost-benefit analysis. The Company will deploy AMR projects in areas where there is a positive business case.

Q. Does the Company expect to reduce staffing as a result of the installation of saturated AMR in Bronx East and West?

A. Yes, the Company continues to reduce Customer Field Representative ("CFR") staffing levels as a result of the installation of saturated AMR, and also expects reductions in other staffing levels. When the Bronx East project is completed, the Company estimates that staffing will be reduced by 32.5 CFR full time equivalents ("FTEs"), 4.5 Customer Service Representative ("CSR") FTEs and two supervisors, for a
savings of approximately $1.9 million: $1.5 million in the rate year and $400,000 in the succeeding 12-month period ending December 31, 2015. For Bronx West, when completed, the Company projects a reduction of approximately 40 CFR FTEs, for an estimated savings of $3.8 million.

Q. Are similar savings expected from other saturated deployments of AMR outside The Bronx?

A. Yes.

Q. Have you prepared, or had prepared under your supervision, exhibits that detail the Saturated AMR implementation?

A. Yes. We have prepared two exhibits. These are entitled “AUTOMATED METER READING SATURATION,” Exhibit___(CO-1), and “AUTOMATED METER READING SATURATION SAVINGS,” Exhibit___(CO-2).

(b) **Strategic AMR**

Q. Please summarize Con Edison’s planned strategic AMR program.

A. The Company plans to continue to utilize AMR at locations where conventional meter reading yields poor
results and to replace obsolete remote meter reading devices in locations where one or more of these meters have failed. In its Orders in Cases 09-E-0428 and 09-G-0795, the Commission adopted Joint Proposals that reflect capital spending on these projects in the Company’s current electric and gas rate plans. In those proceedings, the Company proposed to replace 3,500 meters per year where there was a reported failure of obsolete remote devices at customer locations and for the deployment of 3,500 AMR installations per year to address the most difficult of the hard-to-read meters. Each project was projected to cost $500,000 during each rate year. We project that the approximate target spending amount will have been reached by the end of the respective rate plans.

Q. What are the benefits of installing AMR at these locations?

A. AMR overcomes the difficulties associated with reading hard-to-read meters, including cases where customers are unavailable to provide access to their meters or where there is restricted access due to meter location. Additionally, AMR reduces injuries
associated with manual meter reading (slips, trips and falls) during inclement weather and the normal course of meter reading activities.

The Company currently has over 900,000 AMR devices in use throughout the service area, and AMR functionality and performance are well documented. The Company has been strategically deploying AMR for a number of years, and field organizations are already equipped with devices capable of collecting readings from AMR meters.

Q. What is the total cost of the strategic AMR program proposed by the Company?

A. Anticipated capital funding requirements for this program are: 2013 - $1.1 million, 2014 - $1.7 million, 2015 - $1.6 million, 2016 - $1.5 million and 2017 - $1.5 million.

Q. Please describe Con Edison’s plans for AMR deployment to replace existing hard-wired remote meter installations in locations where one or more of these meters has failed.

A. The Company has been deploying AMR to replace hard-wired remote meter reading installations in locations where one or more of these meters have failed.
are currently 53,704 of these devices on the Company’s system, all of which the Company plans to replace. Since 2009, the Company has replaced approximately 39,000 of these devices. The Company plans to continue to replace these obsolete meters and to deploy approximately 6,000 AMR installations per year in this effort. Anticipated funding requirements for this program are: 2013 - $600,000, 2014 - $1.1 million, 2015 - $1 million, 2016 - $900,000 and 2017 - $900,000.

Q. Please describe Con Edison’s plans for AMR deployment to replace hard-to-read meters.

A. The Company has been deploying AMR equipment at locations and meter reading routes where conventional meter reading yields poor results. The meters targeted for replacement are those that are regularly inaccessible on the meter reading day and generally require that a meter reader expend more than the average time to obtain readings, and the overall rate of meter reading is low. The installation of AMR equipment for such meters or routes provides customers with actual meter readings.
At present, there are about 120,000 Company meters where the Company has been unable to gain access for 120 days or more. Continued funding for meter replacement will provide the Company with the means to address the most difficult of the hard-to-read meters. The Company is planning to deploy approximately 3,500 AMR installations per year to address hard-to-read meters. Anticipated funding requirements for this program are: 2013 - $500,000, 2014 - $600,000, 2015 - $600,000, 2016 - $600,000 and 2017 - $600,000.

Q. Have you prepared, or had prepared under your supervision, exhibits that detail the deployment of AMR at strategic locations?

A. Yes. We have prepared two exhibits. These are entitled “STRATEGIC AMR,” Exhibit (CO-3), and “STRATEGIC WORKSHEET,” Exhibit (CO-4).

MARK FOR IDENTIFICATION AS EXHIBIT (CO-3) and EXHIBIT (CO-4)

2. INTELLIGENT ROUTING AND INFORMATION SYSTEM

HANDHELD DEVICE REPLACEMENT

Q. Please describe the Company’s initiative to replace the handheld devices used in conjunction with the
Intelligent Routing and Information System used to manage non-routine meter reading and collections field activities?

A. The current handheld devices rely upon a public wireless communications network for support. The vendor of this network notified its users that the communication network and cell sites will be phased out in 2013. Once the network is phased out, the current handhelds will no longer be able to communicate. Based on this information, the Company planned to deploy the handheld replacements during 2013. Early in 2012, the Company noticed a marked decrease in its ability to communicate with field crews and learned that the vendor had already shut down approximately 30% of its network. As a result, the Company moved up deployment and completed the replacement of the handheld devices during 2012.

Q. Describe the work required to replace the current handheld devices.

A. Replacement of the current handheld devices involved the purchase of 355 new handheld devices and a docking station and printers.

Q. What did it cost to replace the handheld devices?
A. The cost of replacing the devices was $923,000, originally to be spent in 2013. However, as noted above, the Company completed this project in 2012. There is no projected change in O&M costs associated with replacement or future operation of the handheld devices.

Q. Did the Company plan any other work associated with the handheld devices?

A. Yes. The Company planned to replace its current collection receipt printers during 2014 but accelerated and completed the replacement in 2012. These printers provide a receipt to customers for payments taken in the field by our CFRs that work as collectors.

Q. Why were the new printers needed?

A. These printers were close to 10 years old and were beginning to fail. These printers were needed so that customers receive a receipt when making a payment to a CFR.

Q. What did it cost to replace the collection receipt printers?

A. The capital cost of replacing the collection receipt printers was $141,000, which was originally projected...
to be spent in 2014. However, as noted above, the Company accelerated deployment of the printers and completed replacement of the printers during 2012.

Q. What was the total cost of this program?

A. The projected total cost of this program (for the handheld devices and the printers) was $1.1 million dollars.

Q. Have you prepared, or had prepared under your supervision, an exhibit that details the handheld devices replacement?

A. Yes. We have prepared two exhibits. These are entitled “INTELLIGENT ROUTING AND INFORMATION SYSTEM HANDHELD DEVICE REPLACEMENT,” Exhibit___(CO-5), and “INTELLIGENT ROUTING AND INFORMATION SYSTEM HANDHELD DEVICE REPLACEMENT WORKSHEET,” Exhibit___(CO-6). MARK FOR IDENTIFICATION AS EXHIBIT ____ (CO-5) and EXHIBIT ____ (CO-6)

3. CALL CENTER IMPROVEMENTS

Q. Please describe the improvements that the Company is planning to make at the Call Center.

A. The Company is in the process of replacing the Call Center’s automated call distribution (“ACD”) system and its quality assurance call recording system. In
Cases 09-E-0428 and 09-G-0795, the Commission adopted Joint Proposals that reflect capital spending on this project under the Company’s current electric and gas rate plans.

Q. When will this work be completed?
A. This project will be completed by the end of 2013.

Q. What is the capital cost of this program?
A. The Company plans to spend $3.4 million on capital costs associated with the completion of Call Center Improvements in 2013.

Q. Will additional O&M costs be experienced related to this project?
A. Yes. Starting in the twelve month period ending December 31, 2015, the vendor’s maintenance charge for the ACD will increase by $169,000.

Q. Have you prepared, or had prepared under your supervision, exhibits that detail the Call Center Improvements?
A. Yes. We have prepared one exhibit. It is entitled “CALL CENTER IMPROVEMENTS,” Exhibit___(CO-7).

MARK FOR IDENTIFICATION AS EXHIBIT___(CO-7)

4. CUSTOMER SERVICE SYSTEM IMPROVEMENTS
Q. Please describe the changes the Company is planning to make to its CSS.

A. The CSS that serves the great majority of our customers is over 40 years old and cannot be readily modified to support new business needs. The CSS is composed of a suite of systems that provide for the support of the customer service and billing functions. Over the years, new applications and enhancements to the existing systems have introduced new technologies, enhanced functionality and improved integration between the systems that comprise the CSS suite. Due to these efforts, the CSS has remained viable and technically supportable. The Company plans to continue these efforts.

In addition, with the increasing complexity of programs the CSS must support, the Company needs to continue to explore the viability of the Company’s CSS and the steps that must be taken for its reliable operation into the future. In this effort, the Company plans to continue the CSS risk assessment work already underway and implement specific risk mitigation strategies for continued viability of the CSS.
Q. What is the projected cost for this work?

A. The Company plans to continue upgrading of programming languages used in the CSS and interfacing systems as well as implementing functional enhancements and risk mitigation strategies. The Company plans to spend approximately $5 million each year starting in 2013 and continuing through 2017 on this work. In Cases 09-E-0428 and 09-G-0795, the Commission adopted Joint Proposals that reflect capital spending on these projects under the Company’s current electric and gas rate plans.

Q. Please explain the Company’s efforts related to upgrading of programming languages.

A. We continue to upgrade the programming languages in which the CSS suite of systems was originally developed. We have been systematically reprogramming the multiple systems to a more universally used and supported language. We plan to upgrade programming languages for mainframe programs including activity file maintenance, master database, user interface, and file maintenance batch processing. In addition, upgrades to programming language are needed for a number of critical interfacing systems, such as the
CSS Desktop User Interface, the Consolidated Utility Billing System ("CUBS"), and the Customer Service Online website.

Q. Why is this work required?

A. With respect to upgrades needed to the mainframe CSS, the availability of programmers and technicians trained in the older COBOL, ASSEMBLER and RAMIS programming languages in which these programs were originally developed continues to diminish. Without an upgrade to more current programming languages, this critical group of systems will be increasingly difficult to support and maintain, resulting in the Company’s inability to create new applications or fix problems as they occur. In addition, future releases of the operating system under which these systems execute orders may not support these older programming languages. Therefore, upgrading to a more universally used and supported language is critical to the continued viability of CSS and the Company’s ability to bill and serve its customers. In addition, a more current and supported programming language is needed to more efficiently facilitate CSS integration with other systems. These changes are especially important...
as the nature of customer needs and billing are becoming more complex. CSS must be able to interact effectively with systems that enable such options as energy choice and facilitate quality data presentation to CSRs.

With respect to the non-mainframe systems, such as the CSS Desktop Interface, Customer Service Online website, and CUBS, these systems were written in programming languages that are being phased out, and future releases of the operating system under which these systems execute orders may not support these older programming languages.

Q. Please explain the Company’s efforts related to the development of functional enhancements to the suite of systems that comprise CSS.

A. We plan functional enhancements that will expand the self-service options available to customers on the Company’s website to provide customers with an easy and convenient way to do business with the Company. Functional enhancements will also be implemented to improve business processes and address customer care issues.
Functional enhancements are also required to provide additional tools for management of field forces in the ServiceLink and Cycle Data Warehouse systems. These important functional enhancements are required so that the functionality and benefits of these systems can continue to be expanded to meet the challenges of field work in the areas of meter reading and credit and collections. It is critical that the Company continues to invest in these systems, so that the information is available to manage the field workforce.

Q. Please explain the Company’s efforts related to implementation of risk mitigation strategies.

A. The Company plans to continue its efforts to review the operation and capabilities of the CSS suite and determine if potential bottlenecks to future system expansion exist and pose a threat to the continued viability of the customer service and billing functions. A team of employees from Customer Operations and Information Resources, along with contractors, have completed a process to assess the top CSS risks. The team has identified risks in the areas of system functionality, technical obsolescence,
technical human resources and knowledge, and
governance, and has developed a preliminary plan to
address these risks. Mitigation strategies may
include the development of alternative staffing and
maintenance models, development of a knowledge
transfer plan, enhancements to the CSS to provide
additional functionality outside the original design,
technical optimization and re-engineering, and
development of a program governance structure.

Q. Why is this work necessary?

A. While the Company continually monitors the market for
utility-oriented customer service systems, and
actually implements leading market solutions on a
small scale, we do not believe that implementing a new
CSS for our electric and gas customers is cost-
justified at this time. Our experience with vendor
software in this area, and the monitoring of
replacement projects at other utilities, supports our
current conclusion that extending the life of our
existing system is the more effective alternative.
The Company has successfully implemented major
enhancements to its current system, including a new
billing sub-system, sophisticated user interfaces and
account analysis for customer representatives,
wireless interfaces for real-time field information,
support and billing for the largest population of retail access customers in the State, and robust customer self-service features through our Internet and Interactive Voice Response ("IVR") applications. We believe that we can continue to enhance our present system through identification and modernization of targeted areas of the system, including large-scale enhancements as necessary. Proceeding with the mitigation of identified risks is critical to maintaining continued viability of the system, including production of accurate billing, application of credit and collection procedures, and customer service functions. In addition, investing in the current CSS suite of systems and mitigating known risks to continue viability is cost effective when compared to a larger scale replacement of the systems, which would have significant risks and costs.

Q. What is the projected capital cost of this program?
A. The projected capital cost of this program is $5 million per year during 2013-2017.
Q. Have you prepared, or had prepared under your supervision, an exhibit that details the Company’s proposed investment in the CSS?
A. Yes. We have prepared two exhibits. These are entitled “CUSTOMER SERVICE SYSTEM IMPROVEMENTS,” Exhibit__(CO-8), and “CUSTOMER SERVICE SYSTEM IMPROVEMENTS WORKSHEET,” Exhibit__(CO-9).

MARK FOR IDENTIFICATION AS EXHIBIT ____ (CO-8) and EXHIBIT __ (CO-9)

5. OFF-SYSTEM BILLING

Q. Please describe the the Company’s efforts related to customer billing performed outside of the CSS.
A. The Company utilizes a number of billing processes outside of the CSS (termed “off-system” billing processes) to bill customers taking service under certain rates and programs. Managing and billing these customer accounts involves manual processes and/or systems other than CSS. The Company is in the process of migrating off-system billing applications to a common automated customer care and billing application that will support these billing activities and provide automation of these processes, eliminating the manual processes for billing currently in use and
resulting in improved controls of this complex billing. In Cases 09-E-0428 and 09-G-0795, the Commission adopted Joint Proposals that reflect capital spending on these projects under the Company’s current electric and gas rate plans.

Q. Why is it important that these off-system billing processes be migrated to a common automated application?

A. Some of our largest customers and those billed under our most complex rates are currently billed using our off-system billing processes. Managing and billing these customer accounts involve manual processes and/or stand-alone satellite systems. The conversion of these billing applications to a common platform will provide automation of these processes that will eliminate manual processes and provide a more robust and reliable platform for the billing of these accounts. The common system will also enable the automation of quality control mechanisms and improved database management and maintenance for the involved accounts.

The new customer care and billing application will also provide functionality for automated bill
generation and a common bill format, which will resemble Con Edison’s bill format and design for all other Con Edison customers bills, and eliminate the various styles/formats of billing statements currently in use for off-system billing.

In addition, the new customer care and billing application provides a flexible and reliable platform that can be used to address future regulatory mandates for modified and/or new rates and programs that would otherwise need to be supported by manual applications or new stand-alone systems.

Q. Please describe other benefits to migrating the off-system billing processes to one common platform.

A. The preparation of bills using off-system billing applications involves complex manual processes, and employees must receive specialized training to bill these accounts. The migration of off-system billing processes to one common platform will provide for a more accessible billing application that is utilized by a larger pool of employees and reduces the need for specialized knowledge to enable the billing of these accounts. In addition, as discussed below, the
elimination of manual processes results in human resources savings.

Based upon current customer participation in these special rates/programs, the off-system billing project will eliminate the manual work of about 5.5 SCSR FTEs from 2013 through 2015. In addition, this project will enable the Company to offset incremental costs, which would be incurred without the elimination of manual processes, associated with the growth of customer participation in specialized rates/programs, such as electric standby service and net metering.

Moreover, the savings from this off-system billing automation would help mitigate operating costs related to any future regulatory mandates for new rates that would otherwise increase our operating expenses.

Q. What off-system billing applications currently in use will be replaced, and what other types of billing will be automated?

A. The Company plans to utilize the common automated platform to replace off-system billing applications currently in use for electric standby service, excess distribution facilities, net metering, and economic
development programs, including the Recharge New York Program. The original scope of this effort has been expanded to support other manually-supported rate configurations and new, complex rates such as the recently-approved Offset Tariff option under Standby Service.

Furthermore, it is reasonable to anticipate that there will be new rates/programs that will need to be migrated to the automated platform due to new legislation, regulatory requirements, and customers’ changing needs and interests.

Q. What is the status of this project?

A. The Company is implementing this project in stages. Automation of electric Standby Service rates was completed in 2nd quarter 2012. The implementation of electric Standby billing in April 2012 required the development of over thirty-five interface platforms due to Standby Service billing complexity. Forums were held with key electric standby customers and consultants to get customer input on bill design, specifically the change from a multiple page bill to a two-page bill format. The new bill design consolidates customer billing information in a more
comprehensive and clear billing format/design consistent with Con Edison’s universal customer bill design. Customer feedback from the forums was positive, and standby customers/consultants that received the new bill find it informative, clear and concise.

Q. What other work was completed in 2012?
A. For electric customers, the implementation of billing for Excess Distribution Facilities was completed in October 2012. Work on gas penalty billing was completed in 2012 as well.

Q. Please describe what other work is planned.
A. In 2013, billing for Recharge New York and Distributed Gas Generation (Rider H of the Company’s gas rate schedule) is scheduled for implementation, followed by net metering in 2014, and unique rate configurations and new rates/programs in the 2015 - 2017 period.

Q. Please explain the work involved in replacing the off-system billing applications.
A. A number of activities are involved in the development of each automated customer care and billing application. These include: data migration and customer information conversions, customized
application and interface development, complex
algorithm and framework configuration and bill
design/development; and associated customer forums to
obtain feedback and suggestions on bill design. In
addition, testing is conducted for all billing
calculations and bill content, followed by additional
communication to the customer.

Q. What is the projected capital cost of this program?
A. The projected cost for the continued development and
implementation of off-system billing processes is
estimated to be a total of $6.4 million for the period
2013 through 2017. The Company plans to expend $1.65
million in capital in 2013, $1.76 million in 2014 and
$1.0 million in each of the next three years.

Q. What is the projected O&M savings for the 5.5 SCSR
FTEs that will be saved from this program?
A. A savings of $338,000 will be achieved in the rate
year. An additional savings of $47,000 will be
achieved in the subsequent twelve-month period ending
December 31, 2015.

Q. Have you prepared, or had prepared under your
supervision, exhibits that detail the Company’s
proposed investment in off-system billing?
A. Yes. We have prepared an exhibit entitled “OFF-SYSTEM BILLING,” Exhibit___(CO-10), and an exhibit entitled “OFF-SYSTEM BILLING WORKSHEET,” Exhibit___(CO-11).

MARK FOR IDENTIFICATION AS EXHIBIT___(CO-10) and EXHIBIT___(CO-11)

6. COMPETITIVE MARKET CUSTOMER SERVICE SYSTEMS

Q. Please describe the current state of the competitive retail market in Con Edison’s territory.

A. The Company continues to support the ability of our customers to choose their commodity supplier. The competitive retail market in Con Edison’s territory is continuing to experience substantial growth in the number of customer enrollments. As of December 2012, over 900,000 customers are taking supply service from ESCOs, representing an annual increase of about 100,000 customers over approximately the last two years. With our customers clearly responding to the energy choices offered by ESCOs, we forecast that enrollments will continue through the 2013-2017 period, with over 1,200,000 customers taking supply service from ESCOs by 2017.

Q. Please describe your proposal relating to systems that support customer choice of energy supplier.
A. The Company plans changes to support customer care functions provided to the large number of customers participating in the competitive marketplace. With over 900,000 customers taking supply service from ESCOs, improvements are needed to these systems to better facilitate enrollment and billing-related transactions.

The establishment and billing of accounts taking supply service from an ESCO is a complex process that involves the interaction of a number of Company systems. Our proposal provides for a consolidated system that will support both electric and gas processes from a single data source. The consolidated system and related improvements to transaction processing and database management will assure sustainability and better facilitate the customer care functions performed by the Company for customers taking supply service from ESCOs.

Q. Please describe these changes.

A. The changes that we propose involve the development of a consolidated system for electric and gas. These changes will provide for a combined database of electric and gas customer data to provide consistent
customer information utilized in electric and gas transactions and provided to users, consolidated processing of electric and gas transactions, and improved interactions with connected systems such as the CUBS, which supports the billing of ESCO charges. Overall, improvements will provide for the Company’s continuing reliable support of the nearly 900,000 participating customers and customers who initiate ESCO service hereafter.

Q. What is the projected cost of the consolidated system and associated changes?

A. The projected cost for this work is $5.1 million.

Anticipated funding requirements for this program are:

2014 - $1.3 million, 2015 - $1.3 million, 2016 - $1.3 million and 2017 - $1.2 million.

Q. Have you prepared, or had prepared under your supervision, exhibits that detail the Company’s proposed investment in the competitive market customer service systems?

A. Yes. We have prepared two exhibits. These are entitled "COMPETITIVE MARKET CUSTOMER SERVICE SYSTEMS," Exhibit ___ (CO-12), and an exhibit entitled
"COMPETITIVE MARKET CUSTOMER SERVICE SYSTEMS WORKSHEET," Exhibit ___ (CO-13).

MARK FOR IDENTIFICATION AS EXHIBIT ___ (CO-12) and EXHIBIT ___ (CO-13)

7. ON BILL RECOVERY PROGRAM

A. Please describe the Company’s on bill recovery program.

Q. The Company is providing billing and collections services in support of NYSERDA’s loan program for customers’ energy efficiency investments pursuant to the Power NY Act of 2011. Because the loan installments are billed and collected through utility bills, the utility billing is described as an “on bill recovery” (“OBR”) mechanism.

Q. What work is planned to support this activity?

A. To implement the billing and collection of loan installments on customer bills, the Company must develop and implement system modifications to the CSS and new business processes. System processes must be developed to exchange data with the loan financing party, record loan information on customer accounts, generate loan installments on a monthly basis, present loan installments on customer bills, allocate payments
between utility charges and loan installments,
integrate loan installments in credit and collection
processes, including the specialized processing for
public assistance and bankruptcy customers, and
disburse funds to the loan financing party.

Q. What is the projected cost for this work?
A. Since 2011, the Company has spent $1.3 million to
implement OBR. The Company plans to spend an
additional $0.5 million during 2013 to complete system
work.

Q. Has the Company incurred any additional costs related
to this program?
A. Yes. The Company has incurred the expense of one
full-time employee to administer this program at a
cost of $100,000.

Q. Have you prepared, or had prepared under your
supervision, exhibits that detail the Company’s
proposed investment in the OBR program?
A. Yes. We have prepared two exhibits. These are
entitled "ON BILL RECOVERY PROGRAM," Exhibit (CO-14),
and an exhibit entitled "ON BILL RECOVERY PROGRAM
8. **ELECTRONIC PAYMENT PROCESSING**

Q. Please explain how the Company currently handles electronic payment processing.

A. The Company encourages its customers to make their bill payments using one of two different electronic payment systems, Internet and telephone. The processing of electronic payments involves the conversion of the electronic payment into an Automated Clearing House ("ACH") format and transmittal of the payment to a depository financial institution. The Company uses a proprietary software application that resides on the Con Edison server to perform these functions. The software was developed over ten years ago, and the Company has an arrangement with the vendor to use the software for an annual database maintenance cost of about $25,000.

Q. Please explain changes that will impact the Company’s handling of electronic payments.

A. The vendor has informed the Company that it will no longer support the software application currently in use, and it is not offering a similar product for
Company use. Instead, the vendor is offering to process the Company’s customer payments for a “per transaction” fee of $.06.

Q. What is the projected impact of the “per transaction” fee of $0.06?

A. The Company receives nearly 12 million electronic payments annually and would incur an annual O&M cost of approximately $720,000 for the processing of the electronic payments received.

Q. Please describe the Company’s plan to address the increased processing costs of electronic payments.

A. The Company has decided to develop its own software solution in 2013.

Q. Please describe the work that is involved in development of this application.

A. Work involves the replication of current process flows and functional requirements and the purchase of a dedicated server for this function and associated software. We are projecting $1.4 million in costs for this project, including in-house labor, consultants and equipment. The project will take nearly two years to develop and implement, with anticipated funding
requirements of $1 million in 2013 and $0.4 million in 2014.

Q. Why is the Company developing an in-house system?
A. The Company is developing an in-house system for processing electronic payments to avoid the on-going O&M costs associated with using an outside vendor’s services.

Q. Does the Company anticipate that it will incur per transaction fees before the Company’s in-house application is operational?
A. Yes.

Q. Have you prepared, or had prepared under your supervision, an exhibit that details the Company’s proposed investment in electronic payment processing?
A. Yes. We have prepared one exhibit. This exhibit is entitled entitled "ELECTRONIC PAYMENT PROCESSING," Exhibit ___(CO-16).

Q. Do you have any proposals with respect to the current customer service performance mechanism (“CSPM”) consisting of customer satisfaction surveys and periodic reporting of the survey results?
A. The current rate plan provides for the CSPM to continue unless and until changed by the Commission. For purposes of this proceeding, the Company is not proposing to eliminate a customer service performance mechanism. Assuming continuation of a customer service performance mechanism during the rate year, the Company is not proposing to modify the terms of the current CSPM.

Q. Has the Company incurred any revenue adjustments under the current CSPM.

A. No. The Company has not incurred any revenue adjustments in the last three rate years.
Q. What is the purpose of the Company’s Low Income Program testimony?
A. The Company will describe its Low Income Program and discuss the continuation of the program in the rate year.

Q. Is the Company proposing any changes in the gas low income program?
A. Yes. The Company is proposing to reduce the discounts because of forecasted higher levels of participation and to discontinue one public assistance program as a Qualifying Program.

Q. Please describe the Company’s Low Income Program.
A. The Company has a Low Income Program for residential gas customers. Customers qualifying for the Low-Income Program (“Qualifying Customers”) must be receiving assistance for the payment of utility bills under Direct Vendor or Utility Guarantee programs, receiving benefits under Supplemental Security Income, Temporary Assistance to Needy Persons/Families, Safety Net Assistance, Medicaid, Supplemental Nutrition Assistance Program”, or have received a Home Energy
Assistance Program ("HEAP") grant in the preceding twelve months ("Qualifying Programs"). Currently, residential non-heating (Service Classification No. (“SC”) 1) customers in the program receive a discount of $1.50 on the monthly minimum charge and residential heating (SC 3) customers receive a discount of $0.3833 per therm for usage in the 4-90 therm block. Participants are eligible for a one-time waiver of the service reconnection fee if their service is terminated for non-payment.

Q. Is the Company proposing to continue the Low Income Program adopted by the Commission in Case 09-G-0795?

A. Yes. According to section B of the Joint Proposal, the monthly minimum charge and therm discount component of this program will continue unless and until changed by the Commission. The Company also proposes to continue the elements of the program described in sections B.1 through B.5 of the Joint Proposal relating to customer enrollment, low-income discounts, reconnection fee waiver, cost recovery, and reporting requirements.

Q. How does the Company propose to administer the reconnection waiver component of the program?
A. The reconnection waiver component of the program has offered low-income customers a one-time waiver of the reconnection charge during the gas rate plan. In fairness to other customers who may need to take advantage of this program during the rate year, the Company is extending the waiver component only to customers who have not benefited from the waiver during the rate plan period that commenced April 1, 2010, although, on a case-by-case basis and for good cause shown and provided the cost of the waiver program does not exceed the target cost amount, the Company will grant additional waivers.

Q. The program target cost of $6.4 million for the monthly minimum charge and therm discount was set in the Joint Proposal for each year of the three-year rate plan term. The cost of the reconnection fee waiver component of the program was set at $75,000 per rate year. What target costs are proposed for the rate year beginning January 1, 2014?

A. For the rate year beginning January 1, 2014, the Company is proposing to retain the $6.4 million target for the discount components of the program and the
$75,000 target for the reconnection fee waiver component.

Q. The Joint Proposal anticipated that 145,000 SC 1 and 20,000 SC 3 customers would participate in this program. Has there been a forecast of any change in the number of participating customers?

A. Yes. The Company’s forecast is for an increase in the number of participating customers to 145,600 SC 1 customers and 23,400 SC 3 customers. The most recent reconciliation of the Company’s records with those of the governmental agencies (the New York City Human Resources Administration and the County of Westchester Department of Social Services, otherwise, the “Agencies”) administering the Qualifying Programs was conducted in April 2012. The reconciliation resulted in an increase in the number of customers in the program, and the Company forecasts that the number of participating customers will have further increased by the start of the rate year.

Q. Does the Company propose to modify the discount amounts to keep the program target cost constant?
A. Yes. The Company proposes to reduce the SC 1 discount to $1.25 per bill and the SC 3 discount to $0.3143 per therm.

Q. Is the Company proposing any changes to the Qualifying Programs?

A. Yes. In the electric and gas Low Income Programs, the Qualifying Programs are the same except that, in the gas Low Income Program, customers receiving benefits under Medicaid also qualify. The Company proposes to discontinue Medicaid as a Qualifying Program for customers who initiate participation in the Low Income Program after December 31, 2013, while allowing customers who qualified for the gas Low Income Program on the basis of their receipt of Medicaid to continue to receive program benefits.

Q. Is the proposed change in Qualifying Programs considered in the forecast number of participants during the rate year?

A. At this time the Company has no basis for adjusting the forecast aggregate number of participating customers due to the elimination of Medicaid as a Qualifying Program for new applicants. The Company notes that new applicants that may have qualified for
the low income discount on the basis of Medicaid may also qualify under one or more of the other Qualifying Programs.

Q. The Joint Proposal provides for a reconciliation of the Agencies’ records with the Company’s records once a year in order to have all qualifying customers enrolled and all customers who are no longer receiving benefits under a Qualifying Program de-enrolled. Has the Company experienced any issues with the Agencies with respect to the reconciliation process?

A. Yes. The Agencies’ process is to offer the recipients identified in the reconciliation process the opportunity to “opt out” of the Agencies’ sharing of their identities with the Company for enrollment purposes. The Agencies have done so in a letter to each recipient, the cost of which they believe should be funded by the Low Income Program, rather than by governmental budgets.

Q. What is the Company’s position on this issue?

A. As indicated above, the Company is proposing to continue the current Low Income Program unchanged, which means that the Low Income program would not fund these mailing costs. However, if, as anticipated, the
Agencies propose that the Low Income Program fund these mailing costs, the Company intends to remain neutral as to this issue. We do note that if the Commission decides that the Company should fund this expense, the revenue requirement needs to be increased to reflect the projected mailing costs.

OUTREACH

Q. Please explain the purpose of the Company’s outreach efforts.

A. The Company’s outreach efforts are intended to provide education to customers about their rights and responsibilities as utility customers, to inform them about the many programs and services that the Company offers, to help them manage their energy bills, to provide information about the ways that they can contact Con Edison and about the many options that they have to pay their bills. The Company’s Outreach group also provides a presence in the community, participating in community events and hosting two conferences annually for community-based organizations, and providing presentations to community groups. The Company provides assistance in the community during many kinds of service-related
emergencies by staffing on-site customer information centers. The Company also provides material to customers about energy matters and public safety. In addition, the Company provides material to schoolchildren in its service territory via our Edison Kids’ website and our partnership with Scholastic Publishing, through which we produce energy and safety booklets that are distributed to 34,000 elementary and middle school classrooms and 600 libraries annually.

Q. How much do you plan to spend for outreach and education in the rate year?

A. The Company spent $2.99 million in the historic year and plans to spend $2.99 million on outreach and education activities in the rate year and in each of the two subsequent 12-month periods ending December 31, 2015 and 2016.

Q. Please describe the methods by which the Company’s current outreach and education efforts reach customers.

A. The Company’s current outreach and education efforts include the use of a wide range of vehicles to deliver key messages. These include bill inserts, direct
mailings, email and the Internet, as well as mass media outlets such as newspapers and radio. This layered approach is designed to reach the widest possible audience.

In addition, the Company continuously explores new channels through which to communicate its core messages. These include employing e-mail campaigns that deliver targeted messaging; providing an increasingly robust mobile web platform and developing smartphone applications that allow customers to get information and do business with us while “on the go;” exploring ways to extend the reach of the Company’s messaging via social media outlets; and refining the way that information is presented to customers on the conEd.com website.

Q. Please describe what efforts the Company makes for seniors, at-risk customers, and others in its customer outreach activities.

A. We provide special-needs customers with information tailored to their needs. For example, the Company’s CONCERN program is designed to assist elderly and disabled customers and provide information particularly relevant to them. It includes a special
large-type newsletter called Spotlight distributed twice annually, at the beginning of the winter and summer seasons. The newsletter informs these customers about Con Edison programs such as payment options, energy conservation and efficiency, programs offered by public and private agencies, and tips to help readers improve their health and quality of life. It also provides seasonally relevant information for summer and winter. The Company publicizes its CONCERN program on its website, at presentations and events, and in its printed literature.

Q. What are the key issues on which the Company plans to focus its educational efforts?

A. Energy efficiency and conservation is an area of particular importance and will be a frequent subject of outreach efforts. This includes making customers aware of the Company’s rebate and incentive programs, which promote energy efficiency and conservation. Customer service issues, such as understanding the customer bill, electronic billing and payment, power problems and associated restoration issues, public safety, and the special needs of people using life sustaining equipment (“LSE”) will also be priorities
in the Company’s efforts. Environmental issues, such as the availability of electric vehicles (“EVs”), have made national headlines lately as well and will be addressed as part of the Company’s outreach and education efforts.

Q. Does the Company propose changes that would affect customers served under Rate I of Service Classification No. (“SC”) 9.

A. Yes. These changes include a phase-out of Special Provision D and a 25 percent increase in the maximum rate.

Q. If these changes are approved, what type of outreach is planned to educate affected SC 9 customers?

A. The Company plans to send letters to these customers, similar to the approach taken with the SC 7 phase-out. SC 7 customers have been sent letters at the beginning of each rate year since the phase-out began in 2010. The letters explain the rationale for eliminating the SC 7 rate and detail the impact that the new rate will have on the bills of affected customers.

Q. In addition to the changes proposed to the SC 9 rate, the Company has filed a proposal to modify its voluntary time-of-use (“VTOU”) rate for residential
and religious customers. What are the Company’s outreach plans in regard to this new rate?

A. The Company plans to use multiple mediums to educate residential and religious customers about the new VTOU rate. These include publishing information on the conEd.com website and in our Customer News bill insert. The Company also plans to update its VTOU brochure, “Time-Of-Use-Rates — How Off-Peak Hours Can Lower Your Costs,” and to educate its employees to serve as advisors to customers who are interested in the rate.

Because the new VTOU rate may be of particular interest to owners of EVs, the Company plans to target these customers with information related to the VTOU rate and the option to take service for the EV charger through a separately-metered account under SC 2. The target audience will include customers who have self-identified as EV owners, as well as those who have notified the Company’s Energy Services Department of their intent to install EV chargers at their premises. We will also reach out to organizations such as the Greater New York Automobile Dealers Association and to individual dealers in the Con Edison service territory
in an attempt to obtain their assistance with educating new EV buyers about VTOU rates.

Finally, the Company plans to develop an online time-of-use calculator, which will assist customers in deciding whether or not the new VTOU rate will benefit them. The calculator will replace the existing time-of-use quiz on our conEd.com/tou webpage.

Q. Is the Company planning to expand its use of technology to extend its outreach and education efforts?

A. Yes. A wide variety of technologies is available today that can make doing business with the Company easier, enables the Company to offer more proactive communications to its customers, and gives customers greater control over their energy use and the associated costs. For this reason, the Company plans to enhance its outreach and education initiatives based on technologies that it has already deployed, including its online bill calculators, the mobile version of its conEd.com website and the Company’s interactive outage map. We also plan to continue exploring and investing in new technologies, such as mobile applications and text messaging for alerts,
which have the potential to improve the overall customer experience.

Q. What outreach vehicles does the Company intend to continue using?

A. The Company plans to continue distributing Customer News, a bill insert in newsletter format that provides seasonal and timely articles of interest on a bimonthly basis. The Company will continue to distribute Spotlight. The Company will also continue publishing brochures, pamphlets and booklets on a wide range of subjects and in multiple languages.

Q. Have customers expressed a preference about how they like to get their information?

A. Yes. The Company conducted a survey in August 2012 that explored customers’ preferred methods of receiving information from the Company on energy-related issues. The Company’s market research firm conducted telephone interviews with a random sampling of 505 Con Edison customers. The survey results reflect a significant shift in customer preference as compared to the results of a similar survey conducted five years ago. The survey indicated that for many customers, e-mail, the Internet and social media are
the favored forms of communications over bill inserts.

Because the percentage of customers who prefer to receive communications electronically is likely to continue increasing over the next several years, and because e-mail, the Internet and social media offer cost savings as compared to traditional mailings and bill inserts, the Company plans to seek out and take advantage of every opportunity to transition to these methods of delivering information. That said, the Company plans to continue using, to some degree, all of the communications vehicles mentioned above.

Q. Please elaborate on these plans.

A. As a result of the Company’s increased efforts to solicit customers’ e-mail addresses, we now have roughly 1.1 million e-mail addresses on file. We have utilized these e-mail addresses to send blast e-mails to customers to communicate safety and preparedness information prior to forecasted storms and heat events. And we have begun working with a vendor to distribute e-mails to our customers containing energy efficiency and customer service-related information.

Q. Does the Company plan to utilize e-mail for any other communications?
A. Yes. This year, for the first time, the Company plans to transition part of its annual LSE mailings to an electronic format. The Company seeks to identify the residence of all persons living within its service territory who are reliant on electrically-operated equipment to sustain life, whether they are Con Edison customers or not, so that appropriate action can be taken in the event of an electrical outage. These particular mailings are part of a Company initiative that seeks the assistance of certain non-customer groups to help raise awareness of our LSE program.

Earlier this year, we were able to secure a list of e-mail addresses for over 11,000 doctors’ offices and other medical providers in New York City and Westchester County, all of which will be sent LSE program information via e-mail.

The Company has also begun providing Customer News via e-mail to customers who are not enrolled in our electronic billing program (“e*Bill”), but for whom the Company has e-mail addresses on file. This is being done on an opt-out basis. A similar initiative is being explored for the Company’s “Your Rights and Responsibilities” notices, which are sent
annually to all Con Edison customers. We feel that communicating with customers via e-mail and other electronic methods is directly in line with the Company’s goals to promote cost consciousness and environmental stewardship, as well as to provide the best possible customer experience.

Q. Please discuss the Company’s plans for enhancements to the Company’s customer-focused website.

A. Over the past year, several enhancements have been made to the Company’s conEd.com website. Most notably, the Company added a suite of online bill analysis tools, known collectively as MyEnergyToolkit. These tools break down a customer’s energy consumption by end use (e.g., heating/cooling, refrigeration) and can help customers determine which energy efficiency upgrades would benefit them the most. The Company also developed an EV website for customers who have questions about EVs, and an EnergyShare website aimed at raising awareness and soliciting donations for the Company’s fuel fund, which offers $200 grants to customers struggling to pay their winter heating bills. The Company’s major enhancements for 2012 and beyond include:
CUSTOMER OPERATIONS PANEL – GAS

• A full redesign of the mobile version of conEd.com and of our conEd.com/kids website; and
• The launch of a mobile app for Apple iOS devices and Android devices.

Additionally, the Company continues making changes to optimize the My Account and Customer Central sections of the website based on focus group data, statistics from our own analytic tools and the results of independent website reviews from organizations such as eSource.

Q. Please explain the “Market Research and Customer and Stakeholder Focus Groups” portion of the Company’s plan.

A. Earlier this year, we contracted a market research and consulting firm to conduct two online focus groups. The first centered on customers’ perceptions of the online billing and payment options offered by Con Edison and the factors that either motivate or discourage customers from utilizing them. The second was designed to gauge Con Edison’s effectiveness at communicating with customers during service outages and other Company emergencies, as well as to determine the types and frequency of communications that
customers prefer during these events. Focus groups of this type are crucial to understanding the needs and preferences of our customers and play an important role in the development of effective outreach and education strategies, such as the changes to the My Account and Customer Central portions of our website noted above. Going forward, the Company plans to conduct similar focus groups in order to develop future strategies and to evaluate existing practices.

Q. Does the Company measure the effectiveness of the delivery of its messages?

A. Yes. The Company conducts surveys twice a year to gauge awareness and understanding of key messages.

Q. Have the survey results indicated your efforts have changed customer behavior?

A. Yes. For example, our survey measured how customers planned to change their behavior as a result of our messaging. Customers who recalled our messaging were asked by interviewers what, if anything, they have done differently over the past few months, or what they will do in the next few months to conserve energy and save money in their households. The results indicated that 80.4 percent of customers surveyed
indicated that, as a result of the Company’s messaging, they would do something differently to help conserve energy and save money.

Q. What are the Company’s plans for educating employees?

A. Employee education is critical to providing quality customer care. The Company’s employees must be knowledgeable and have ready access to the information that our customers desire. They must also possess the soft skills necessary to communicate this information effectively. For this reason, we have begun developing two eLearning (online) training modules. One module is designed to educate employees on best practices for interacting with customers during service outages and other Company emergencies. The other is aimed at promoting a customer-centric culture among all Company employees, including those who work in positions that are not traditionally considered to be customer-service related.

Q. Have you prepared or supervised the preparation of a document listing the Company’s planned expenses for general outreach and education programs?

A. Yes. We have prepared one exhibit, entitled “OUTREACH AND EDUCATION,” Exhibit ____ (CO-17).
MARK FOR IDENTIFICATION AS EXHIBIT __ (CO-17)

Q. Does this conclude your testimony?

A. Yes.