

**Service Quality Performance Mechanism  
KEDNY & KEDLI**

<b>Performance Measure</b>	<b>Performance Target</b>	<b>KEDNY Revenue Adjustment</b>	<b>KEDLI Revenue Adjustment</b>
PSC Complaint Rate	≤ 1.7 KEDNY ≤ 1.1 KEDLI	\$1,950,000	\$1,650,000
CSI	≥84.8% KEDNY ≥83.4% KEDLI	\$1,950,000	\$1,650,000
Telephone Answer Response	≥ 52.9%	\$650,000	\$550,000
Appointments Kept	≥ 96.5%	\$650,000	\$550,000
Adjusted/Cancelled and Reissued bills	≤ 1.7%	\$650,000	\$550,000
<b>Total Amount at Risk</b>		<b>\$5,850,000</b>	<b>\$4,950,000</b>

**KEDNY & KEDLI TWELVE MONTH COMPLAINT RATES**  
**Complaints Per 100,000 Customers**  
**Average Rate For Preceding 12 Months**

KEDNY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003								0.7	0.7	0.7	0.7	0.8
2004	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.2
2005	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5
2006	1.5	<b>1.6</b>	1.5	1.5	1.5	1.5	1.4	1.3	1.3	1.3	1.3	1.3
KEDLI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003								0.9	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
2004	0.9	0.9	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	0.9	0.9	0.8	0.8	0.9	0.8	0.8
2005	0.8	0.9	0.9	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
2006	0.7	0.6	0.7	0.8	0.9	0.9	0.9	0.8	0.7	0.7	0.7	0.7

**ENERGY UTILITY SERVICE QUALITY PERFORMANCE**  
**Calendar Year 2005**  
**Selected Indicators**

<b>2005 Performance Indicators</b>	<b>Tel. Ans. Resp.</b>	<b>Appts. Kept</b>	<b>Adj. Bills</b>
KEDNY	39.8%	85.8%	2.3%
KEDLI	NA	92.0%	0.5%
Central Hudson	66.0%	98.7%	1.2%
Con Edison	36.0%	99.7%	0.4%
National Fuel Gas	70.7%	97.1%	1.7%
National Grid	79.1%	94.3%	0.8%
NYSEG	67.5%	99.6%	0.1%
O&R	66.3%	100.0%	2.1%
RG&E	84.1%	99.7%	0.8%
Average For Other Utilities	67.1%	98.4%	1.0%
Standard Deviation	14.2%	1.9%	0.7%
Proposed Target	52.9%	96.5%	1.7%

**Cases: 06-M-0878  
06-G-1185  
06-G-1186**

**National Grid/KeySpan Merger**

Interrogatory/Document Request

Response of National Grid/KeySpan

Re: On-Track/Low-Income Programs

Request #: DPS-194

Response Date: November 17, 2006

Respondent: N. Cianflone

Q:

1. Provide annual itemized budgets and expenditures for 2002 to the present for the KEDNY and KEDLI On-track Program and include: total costs, arrears forgiveness, budget education, energy efficiency education, weatherization services, appliance services, administrative costs and other expenses.
2. For 2002 to the present, provide for KEDNY and KEDLI: number of enrollments, the number of customers that successfully completed the program, the number of customers that defaulted and dropped out of the program and the number of customers that left for other reasons.
3. Provide any and all program evaluations, reports and studies on the On-Track program.
4. For 2002 to the present, provide the number of customers receiving a reduced rate, itemized by benefit and eligibility for the KEDNY and KEDLI service territories.
5. For 2002 to the present, provide the number of customers receiving HEAP benefits for the KEDNY and KEDLI service territories.

A:

**1. Costs for KEDNY On-Track 12 months ended December 31<sup>st</sup>**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor	\$351,400	\$368,300	\$333,300	\$247,100
Appliance Service	129,300	107,500	55,800	34,200
Program material, postage, miscellaneous expenditures	4,900	33,700	34,900	3,600
Arrears Forgiven	386,200	463,700	133,300	324,100
<b>Total</b>	<b>\$871,800</b>	<b>\$973,200</b>	<b>\$557,300</b>	<b>\$609,000</b>

**Budget for KEDNY On-Track 12 months ended December 31<sup>st</sup>**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor	\$370,000	\$465,300	\$410,000	\$344,000
Appliance Service	0	175,000	165,000	115,000
Program material, postage, miscellaneous expenditures	10,000	137,000	134,000	86,400
Arrears Forgiven	325,000	235,000	215,000	215,000
<b>Total</b>	<b>\$705,000</b>	<b>\$1,012,300</b>	<b>\$924,000</b>	<b>\$760,400</b>

**Costs for KEDLI On-Track 12 months ended December 31<sup>st</sup>**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor	\$174,700	\$180,100	\$185,700	\$191,400
Appliance Service	700	1,000	(700)	500
<b>Total</b>	<b>\$175,400</b>	<b>\$181,100</b>	<b>\$185,000</b>	<b>\$191,900</b>
<b>Arrears Forgiven</b>				
Program Period	7/1/01 to 12/31/02`	1/1/03 to 6/30/04	7/1/04 to 12/31/05	
	\$46,200	\$50,800	\$16,000	

**Budget for KEDLI On-Track 12 months ended December 31<sup>st</sup>**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Labor	0	\$47,280	0	0
Appliance Service	0	0	0	0
<b>Total</b>	<b>\$182,744</b>	<b>\$182,377</b>	<b>\$190,443</b>	<b>\$197,245</b>

Note: Arrears forgiven for LI is not available by calendar year. Reported are total arrears forgiven for the 18-month program period. Discrete budgeted amounts are not maintained because the expense in the CAS system is charged to a general corporate cost center.

Vendor providing program materials issued one bill for both KEDNY and KEDLI. Entire costs were captured in KEDNY (KEDLI was accountable for a relatively small portion of the costs).

**2. Number of On Track Customers**

	<b>New York</b>			<b>Long Island</b>		
	7/1/01 to 12/31/02`	1/1/03 to 6/30/04	7/1/04 to 12/31/05	7/1/01 to 12/31/02`	1/1/03 to 6/30/04	7/1/04 to 12/31/05
Enrollment	1,481	1,259	1,206	197	172	124
# customers Defaulted Out	173	134	156	24	20	17
# Customers Completing Program	1,308	1,125	1,050	173	152	107

3. The Companies maintain records tracking the number of customers in the program as listed above. No other qualitative evaluations/reports were prepared.

4. **Reduced Residential Rate** -- number of open and active meters:

**New York  
12 months ending**

	<b>12/31/05</b>	<b>12/31/04</b>	<b>12/31/03</b>	<b>03/23/02</b>
Heating	24,847	24,058	37,293	20,395
Non-Heating	24,835	25,096	26,201	26,733
<b>Total</b>	<b>49,682</b>	<b>49,154</b>	<b>63,494</b>	<b>47,128</b>

The benefit for heating customers is a discount of \$6.16 on the bi-monthly minimum bill or \$36.96 annually. The benefit for non-heating customers is a discount of 2.40 on the bi-monthly minimum bill, or \$14.40 annually.

KEDLI does not have a Reduced Residential Rate Program in effect. One has been proposed as part of the Merger Filing.

5. **HEAP benefits**

	<b>2001/2002</b>	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
KEDNY # of Customers	15,591	17,995	18,991	19,256	19,343
KEDLI # of Transactions	3,528	3,823	2,930	3,054	8,182

Note: The KEDLI system is unable to capture the number of customers receiving benefits, but KEDLI can track number of HEAP transactions. The number of transactions in 2005/2006 shows a significant increase due to the supplemental HEAP grants allotted by the federal government during this period.

**Cases: 06-M-0878  
06-G-1185  
06-G-1186**

**National Grid/KeySpan Merger  
Interrogatory/Document Request  
Response of National Grid/KeySpan**

Re: Customer Outreach and Education

Request #: DPS-214

Response Date: November 30, 2006

Respondent: N. Cianflone

Q:

1. For each of the last five years, provide the expenditures on core outreach and education activities (i.e., activities not related to retail choice) at KEDNY and KEDLI, and briefly describe the outreach and education activities undertaken, and the vehicles used, by subject area (e.g., safety, customer rights and responsibilities, winter outlook, etc.).
  
2. Provide core customer outreach and education plans for KEDNY and KEDLI for the rate year, including budget information. It should include the outreach and education activities, and the vehicles to be used to disseminate such information, by subject area.

A:

1.

**Outreach and Education**

KeySpan's Customer Outreach and Education Programs are designed to inform customers about:

- Natural gas safety;
- Rights and responsibilities as a customer, including information on billing/meter reading and special customer needs;

- Ways to save money on their bills (energy efficiency and conservation);
- Information relating to customer satisfaction;
- Rates, the rate setting process, and the cost of gas supply; and
- General information about KeySpan Energy Delivery programs and services.

## Activities

### Natural Gas Safety

The following communications vehicles are used to educate customers about natural gas safety:

*Advertising* – Print ads concerning carbon monoxide and pipeline safety and awareness are placed annually in select daily and weekly newspapers throughout the KEDNY and KEDLI service territories.

*Customer Newsletters (bill insert)* – Natural gas safety messages appear throughout the year in KeySpan Energy Delivery’s Consumer Update customer newsletter. Four to five issues are produced each year and included with customer bills covering topics such as responding to an odor of natural gas, carbon monoxide, pipeline awareness, care of buried gas pipes, proper venting of equipment and other safety issues.

*Bill Messages* – Bill messages encouraging customers to care for heating equipment properly.

*Brochures* – KeySpan Energy Delivery produces a brochure titled *Safety Tips: Using Natural Gas Properly*. It is on display and available at our customer offices, provided at community presentations, and is also sent to customers upon request.

*Web site* – Comprehensive safety information is available online.

### Rights & Responsibilities

The following communications vehicles are used to inform customers about their rights and responsibilities and services for customers with special needs:

*Stand-alone Bill Inserts* – Residential and non-residential customers are sent a rights and responsibilities pamphlet annually along with one of their billing statements. Rights pamphlets are also sent to new customers.

*Brochures* – KeySpan Energy Delivery produces brochures entitled *Special Services: Helping Seniors and Persons with Disabilities*. It is on display and available at our customer offices, provided at community presentations, and is also sent to customers upon request.

*Web site* – Electronic versions of the rights and responsibilities pamphlets are available online. Comprehensive information about special needs programs is also available.

### Ways to Save Money on Their Bills

The following communication vehicles are used to help customers use energy efficiently and apply energy conservation methods:

*Advertising* – KeySpan Energy Delivery uses print ads to promote financial assistance programs for low-income customers, including an energy conservation message that applies to all customers.

*Customer Newsletters* – Efficient use of natural gas and energy conservation measures appear throughout the year in KeySpan Energy Delivery's Consumer Update customer newsletter. The tips are seasonal and apply to heating, cooling and hot water use.

*Bill Messages* – Bill messages promoting energy efficiency measures are used at times during certain billing cycles.

*Web site* – Conservation measures are provided online along with referrals to other resources.

### Customer Satisfaction

The following communications vehicles are used to help customers regarding account and service inquiries and complaint procedures:

*Customer Newsletters* – Customers are provided with the methods to contact KeySpan Energy Delivery, including phone, in person, and mail or e-mail.

*Bill Messages/Correspondence* – Where appropriate, customers are provided with complaint procedures and contact information for sources of assistance.

*Brochures* – KeySpan Energy Delivery produces a brochure entitled *At Your Service: Getting to Know Our Programs and Services*. It is on display and available at our customer offices, provided at community presentations, and is also sent to customers upon request.

*Web site* – Contact information, including an e-mail link, is provided.

### Rates and the Cost of Gas Supply

The following communications vehicles are used to inform customers about KeySpan Energy Delivery's rates and educate them on how rates are determined and gas supply commodity cost:

*Advertising* – Due to increased commodity prices, KeySpan Energy Delivery has used print ads to explain the impact gas prices have on customer bills and what KeySpan is doing to develop new sources of gas supply. The ads also promote energy efficiency and conservation.

KeySpan Energy Delivery also promotes low-income and other financial assistance programs through print ads prior to the heating season in select daily and weekly newspapers throughout the KEDNY and KEDLI service territories.

*Customer Newsletters* – In recent heating seasons, KeySpan Energy Delivery has developed a customer newsletter addressing gas price and supply issues to educate customers.

*Stand-alone Bill Insert* – A special bill insert promoting financial assistance programs for low-income customers is distributed prior to the winter heating season.

*Brochures* – KeySpan Energy Delivery produces a brochure entitled *Financial Assistance: Getting Help to Pay Your Natural Gas Bill*. It is on display and available at our customer offices, provided at community presentations, and is also sent to customers upon request.

*Bill Messages* – Bill messages are used to promote energy efficiency measures to offset the high cost of gas.

*Web site* – Detailed rate and pricing information is available online.

General Information about KeySpan Energy Delivery

The following communications vehicles are used to communicate to customers about KeySpan Energy Delivery’s programs and services:

*Customer Newsletters* – KeySpan Energy Delivery programs and services are promoted throughout the year in KeySpan Energy Delivery’s Consumer Update customer newsletter. Four to five issues are produced each year covering a variety of topics.

*Bill Messages* – Bill messages are used throughout the year to promote programs and services.

*Stand-alone Bill Inserts* – Individual bill inserts are produced throughout the year on specific subjects, including Balanced Billing, direct payment options and account notices (meter reading, disconnect notices).

*Brochures* – KeySpan produces a variety of brochures on a number of topics including Payment Choices, Payment Locations, Meter Reading, and others. Brochures are on display and available at our customer offices and are also sent to customers upon request.

*Web site* – Comprehensive information about KeySpan Energy Delivery’s programs and services is available online

**Expenditures: Last Five Years**

Expenditures for the last five are as follows:

2001:	KEDNY	\$316,132	KEDLI	\$357,035
2002:	KEDNY	\$202,438	KEDLI	\$334,936
2003:	KEDNY	\$176,886	KEDLI	\$489,023
2004:	KEDNY	\$217,767	KEDLI	\$298,736
2005 (Test Year):	KEDNY	\$238,240	KEDLI	\$269,442

The above expenditures reflect the total spent for the communications vehicles supporting the activities described above.

2.

The KEDNY and KEDLI rate year anticipates the continuance of the above programs and associated spending. KEDNY and KEDLI will formulate additional plans and incremental spending pending the conclusions on the various issues proposed in this proceeding.

**Cases: 06-M-0878  
06-G-1185  
06-G-1186**

**National Grid/KeySpan Merger**

Interrogatory/Document Request

Response of National Grid/KeySpan

Re: Customer Service Performance

Request #: DPS-231

Response Date: December 7, 2006

Respondent: N. Cianflone

Q:

1. Provide monthly KEDNY and KEDLI telephone response answer rates within 30 seconds for the last five years. If the answer rate within 30 seconds cannot be measured, explain why not, and provide the answer rate in the format available (e.g., response within 45 seconds). Describe exactly how the answer rate is measured at both KEDNY and KEDLI. Indicate whether the answer rate includes or excludes calls serviced by interactive voice response systems.

A:

See Attached.

## Customer Assistance Center

NYC

**KeySpan Call Center New York**

**2006:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Emergency call ans in 30 Sec.</b>	95.04%	93.35%	94.86%	96.51%	95.32%	95.37%	95.01%	96.84%	95.05%	96.03%	96.83%	
<b>Non-Emergency calls ans (w/ IVR) in 40 Sec.</b>	44.14%	53.33%	69.43%	65.58%	64.24%	72.40%	68.27%	68.30%	68.74%	76.64%	79.55%	
<b>Non-Emergency calls ans (w/ IVR) in 30 Sec.</b>	43.57%	52.01%	66.74%	63.65%	62.63%	70.97%	66.66%	66.63%	66.93%	74.90%	74.73%	

**2005 Goal:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Emergency calls ans in 20 Sec.</b>	88.30%	89.70%	88.40%	86.90%	88.90%	88.30%	86.00%	84.70%	85.80%	86.30%	87.40%	88.20%
<b>Non-Emergency calls ans (w/IVR) in 45 Sec.</b>	56.60%	50.40%	61.30%	52.90%	53.10%	60.30%	64.90%	59.10%	51.50%	43.50%	37.60%	36.85%

**2004 Goal:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Emergency calls ans in 20 Sec.</b>	88.56%	87.70%	91.20%	86.40%	90.65%	86.26%	81.84%	87.90%	88.00%	88.70%	90.00%	88.20%
<b>Non-Emergency calls ans (w/IVR) in 45 Sec.</b>	45.72%	36.98%	47.40%	38.45%	42.45%	54.73%	49.92%	57.00%	62.3%	59.40%	64.60%	66.10%

**2003 Goal:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Emergency calls ans in 20 Sec.</b>	86.67%	86.35%	86.90%	87.52%	89.16%	87.57%	89.39%	88.27%	91.21%	91.80%	89.21%	89.15%

**2002 Goal:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Emergency calls ans in 20 Sec.</b>	91.57%	91.85%	87.27%	88.59%	91.73%	87.10%	88.26%	87.66%	89.25%	86.22%	88.80%	87.93%

<b>Emergency</b>	Calls where customers select emergency option.
<b>Non-Emergency</b>	All calls customers selected any option other than emergency (includes IVR)

Non-Emergency call data unavailable prior to January 2004

## Customer Assistance Center

NYC

**KeySpan Call Center Long Island**

2006

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
All calls answered in 30 Sec.	41.40%	40.30%	69.30%	68.30%	58.00%	48.10%	43.00%	42.90%	44.40%	48.20%		

**2005 Goal:**

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
All calls answered in 30 Sec.	50.30%	49.10%	53.80%	61.70%	58.00%	51.60%	46.20%	45.70%	42.80%	44.40%	38.70%	47.00%

2004 Goal:

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
All calls answered in 30 Sec.									69.30%	65.80%	69.20%	64.60%

Offered calls = calls offered to CSR + calls offered to IVR Percent answered calculation = IVR satisfied calls and CSR answered calls in time period divided by offered calls in time period

Data on Gas only calls not available before September 2004 - prior data is a combination of gas and electric calls