

# 2004 NYSEG Voice Your Choice Program

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# **1. NYSEG Voice Your Choice Program Report**

New York State Electric and Gas Corporation

***Voice Your Choice Program Report***  
Second Enrollment Period

Case 01-E-0359

March 31, 2005

NYSEG ***Voice Your Choice*** Program Report  
Second Enrollment Period  
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## I. INTRODUCTION

In accordance with the Joint Proposal and the Public Service Commission (“PSC” or the “Commission”) February 27, 2002 Order in *Case 01-E-0359 – New York State Electric & Gas Corporation Price Protection Plan* (“the Order”), NYSEG (or “the Company”) collaborated with Staff and the parties to develop and implement an aggressive customer outreach and education plan (“the Plan”) prior to the first Enrollment Period to explain retail choice and the components of the competitive market initiatives.

Upon completion of the first Enrollment Period, the Company submitted final results to Staff in July 2003. In May 2004, the Company, Staff and the parties began a series of collaborative sessions to determine appropriate customer outreach and advertising for the second Enrollment Period. An outline of the Plan, measurable objectives and a budget were provided to Staff and the parties by June 2, 2004 as required by the Order. Following the submittal of these drafts, the Company met each month with Staff and the parties from July through September, with a final meeting on September 19, 2004.

The success of this program is demonstrated by the fact that **30%** of NYSEG’s electric customers expressed their preference for a commodity supplier and commodity price option, which was a startling **70%** increase over the participation level during the prior Enrollment Period. Of those, **75%** chose the fixed price option from NYSEG, clearly indicating their preference for price certainty. More than 20,545 customers chose to receive their electricity supply from an ESCO, resulting in a **38%** increase in customer migration.

This report describes the Plan objectives, collaborative process, Plan implementation and results for the second Enrollment Period.

## II. COMPREHENSIVE OUTREACH AND EDUCATION PROGRAM

### *Plan Objectives and Key Messages*

Outreach and education about competitive choices is an important component for continuing a successful transition to a competitive retail market. NYSEG’s Outreach and Education Plan focused on the following retail choice concepts:

- NYSEG is an active participant in the transition to a competitive electric market;
- Customers will continue to be able to purchase their electricity supply separately from their electricity delivery;
- Electric commodity choice is available;
- Safety, reliability, and customer service from NYSEG for its services are not affected if a customer switches to an energy services company (ESCO);
- NYSEG will continue to provide emergency services such as storm restoration to customers regardless of commodity supplier;
- How to make competitive choices and switch electricity suppliers;
- The benefits and risks of customer choice; and
- Customers may select from four commodity offerings during the Enrollment Period and should make an affirmative choice.

### **Outreach Vehicles and Target Audiences**

A variety of outreach vehicles were used to educate customers about competitive choices and call them to action to make an affirmative choice during the Enrollment Period. As described in detail in this report, direct mail, bill inserts, radio and newspaper ads, the web site, news releases, telephone contacts, and public presentations were employed to convey NYSEG's message. The major vehicle for customer education and enrollment was the enrollment kit, a direct mail piece. Instead of receiving a full enrollment kit per discussions during the collaborative, retail access participants were mailed an enrollment postcard with general information about the program.

### **Budget**

	(\$thousands)
<b>Overall O&amp;E Spending for 2004</b>	<b>\$1,268.0</b>
Key expenditures:	
○ <b>Enrollment Kits (design, printing, mailing, etc.)</b>	<b>\$ 333.7</b>
○ <b>Advertisements</b>	<b>\$ 328.0</b>
○ <b>Market Expo</b>	<b>\$ 6.5</b>
○ <b>Market Match</b> (outreach mailing only)	<b>\$ 0.5</b>
○ <b>Outbound calling</b>	<b>\$ 200.0</b>
○ <b>Reminder Mailing</b>	<b>\$ 290.0</b>
○ <b>Confirmation Letters</b>	<b>\$ 85.0</b>
○ <b>New customer enrollment kit mailings, displays and materials for community events and presentations</b>	<b>\$ 24.3</b>

### **Theme of the Plan**

In order to build upon the Company's existing retail access choice program, NYSEG continued using the 2002 the enrollment theme, **Voice Your Choice**.

The outreach effort began in Summer 2004. Early outreach messages reminded customers of the first **Voice Your Choice** Enrollment Period and informed customers that it was time to make a new selection for their account. Early messages also reinforced NYSEG's role as the delivery company and customers' ability to select NYSEG or an ESCO for their electricity supply. Built into these messages were assurances associated with NYSEG's role as the delivery company: continuation of outstanding customer service; emergency response services; and safety and reliability whether or not the customer chooses NYSEG for their electricity supply.

Subsequent outreach messages were designed to help customers understand how supply and delivery costs are treated and the difference between fixed and variable commodity price offerings. Customer education prior to the mailing of enrollment kits in October 2004 focused on the attributes of NYSEG's Commodity Pricing Options. Customers were also provided information on the process of buying their electricity supply from an ESCO.

On October 1, the first day of the VYC program, NYSEG published their Fixed Price Option rates, posting it on NYSEG's VYC web page. This visible and transparent display of the fixed price was a critical signal to customers and set an open benchmark from which ESCOs could compete.

Later messages during early to mid-October focused on the upcoming mailing to make customers aware of the importance of the Enrollment Period and featured a picture of the enrollment kit.

During the Enrollment Period, customer outreach efforts reinforced the above-referenced messages regarding NYSEG's role as the delivery company, available supply choices for customers, how to contact and select an ESCO, how to enroll in a supply choice, applicable default rates for customers who make a new affirmative choice and the length of the Enrollment Period. The material for the enrollment kits was targeted to various customer segments. Customers were encouraged to seek additional information from outside sources, including ESCOs and the PSC regarding their choices.

### ***Description of Electric Commodity Service Choices***

The following descriptions were used as the basis for the development of information for NYSEG's outreach and education materials.

#### **1. Competitive Supplier Price Choice**

"This choice consists of an ESCO supply charge (which depends on the offer you accept from the ESCO you choose) and a *variable* NYSEG transition charge."

#### **2. NYSEG Variable Price Choice**

"This choice consists of a *variable* NYSEG supply charge and a *variable* NYSEG transition charge. The variable supply and transition charges reflect the changing market cost of electricity each month."

#### **3. NYSEG Fixed Price Choice**

"This choice consists of a *fixed* NYSEG supply charge and a *fixed* NYSEG transition charge. The fixed supply charge includes the cost of electricity plus the cost of procuring electricity and for managing the risk of providing a fixed price over the two-year period."

#### **4. NYSEG Fixed Price Choice with Supply Credit**

"This choice is made up of an ESCO supply charge (which depends on the offer you accept from the ESCO you choose), *fixed* NYSEG supply and transition charges plus a *variable* NYSEG supply credit (a credit on your NYSEG charges because you purchase your supply from an ESCO). The amount of the supply credit is based on the market price of electricity each month."

### ***Description of Customer Switching Rules***

General information on customers' ability to change commodity offerings was included in the enrollment kits. The following rules applied:

- Customers who either elected during enrollment or defaulted to the NYSEG Fixed Price Choice could switch to the Competitive Supplier Choice at any time in the four-month grace period;
- Customers who either elected or defaulted to the NYSEG Fixed Price Choice can select the NYSEG Fixed Price Choice with Supply Credit at any time during the two-year offer period;
- Customers who either elected or defaulted to the NYSEG Variable Price Choice can switch at any time to the Competitive Supplier Choice during the two-year offer period;
- Residential and small non-residential customers who return to NYSEG from the Competitive Supplier Choice during the two-year offer period will have a choice of returning to either of the two NYSEG supply choices (Fixed Price Choice, Variable Price Choice). If the customer chooses to return to the NYSEG Fixed Price Choice, then the customer will be at the Fixed Price that exists for the six-month block at the time of return; and
- Large non-residential customers who return to NYSEG from the Competitive Supplier Choice during the two-year offer period will return to the NYSEG Variable Price Choice.

### **III. PRE-PROGRAM ACTIVITIES**

#### ***Collaborative Meetings with Staff and Other Parties***

NYSEG, Staff and the parties met to discuss their preferences for customer outreach during the second Enrollment Period and made some changes to the outreach process.

In particular, the collaborative agreed to have NYSEG send an enrollment postcard to existing retail access customers, rather than the larger enrollment kit. In the postcard, retail access customers were made aware of the program and were advised that their ESCO would enroll their account with NYSEG. The collaborative also agreed to schedule two NYSEG Market Expos, one in Buffalo and one in Binghamton.

#### ***Customer Awareness Survey***

NYSEG and Staff agreed to include retail access awareness questions in the Company's Customer Satisfaction Index, a survey of residential customer satisfaction that is facet of NYSEG's Service Quality Performance Mechanism. Customers are surveyed twice a year, in June and October, throughout NYSEG's service area: **1,012** customers were contacted in June 2004 (approximately **78** customers per NYSEG division) and asked the following questions:

- Do you know that NYSEG customers have a choice of electricity suppliers?
- Do you know that NYSEG customers have a choice of natural gas suppliers?
- Where did you learn about the electricity and natural gas supply choices?
- Would you say that is important or not important that customers be able to choose their electricity or natural gas supplier?
- How interested are you in being able to choose your electricity or natural gas supplier?
- Have you been contacted by an electricity or natural gas supplier other than NYSEG?

- Please indicate your level of agreement with the following statements:
  - NYSEG support customers' right to choose their electricity/natural gas supplier.
  - If I switch to another electricity/natural gas supplier, NYSEG will still respond to outages and emergencies.
  - If I switch to another electricity/natural gas supplier, that supplier will still be responsible for the safety and reliability of my electric/natural gas service.
  - If I switch to another electricity/natural gas supplier, I can switch back to NYSEG for my electric/gas supply at any time.

For 2005, awareness of electricity supply choice was higher than natural gas choice: **57%** of customers were aware that they could choose an electricity supplier, while **41%** were aware that they could choose a natural gas supplier. Customers predominantly learned of choice through bill inserts: **43.5%** responded that this was their main source of information, followed by newspapers at **17.4%** and the NYSEG enrollment kit (sent in 2002) at **16.7%**. Customers believe that choice is important – **81.8%** responding to that effect. Not all customers were interested in choice, **55%** were, while **42%** were not and **4%** did not know. Of the customers surveyed, **12%** had been contacted by a supplier.

Regarding the list of statements:

- **79%** agreed that NYSEG supports a customer's right to choose (**8%** disagreed, **12%** did not know);
- **52%** were aware that NYSEG would still respond to emergencies (**21%** disagreed, **27%** did not know);
- **53%** were aware that NYSEG would remain their delivery company (**24%** disagreed, **23%** did not know);
- **70%** were aware that NYSEG would still be responsible for safety and reliability (**14%** disagreed, **17%** did not know); and
- **73%** were aware that they could switch to NYSEG service from a supplier at any time (**11%** disagreed, **17%** did not know).

These survey questions will be asked again in June 2005.

#### **IV. DESCRIPTION OF THE OUTREACH AND EDUCATION ACTIVITIES**

*(Note that sample materials are provided in the appendix.)*

##### ***ESCO Orientations***

NYSEG hosted meetings for ESCOs on July 18, 2004 and August 18, 2004. The first meeting provided an overview of the VYC program, descriptions of Electricity Supply Pricing Options, rate option switching rules and information about planned Market Match and Market Expos. The second meeting provided ESCOs with more detail around NYSEG's Pricing Options and associated transition charge and conversion/implementation. All meetings were attended by various PSC staff members. As a result of these meetings, ESCO's received all of the information they needed in order to provide timely and accurate marketing and pricing information to customers.

## **Bill Inserts**

NYSEG's **EnergyLines** bill insert was the foundation of the Outreach Plan. In past surveys and focus groups, customers have reported a strong preference to receiving information from the Company via the bill insert.

- **EnergyLines** messages throughout 2004, beginning in August, focused on explaining NYSEG's role as the delivery company and the customer's ability to **Voice Your Choice** for electricity supply. Built into the delivery company message were the reassurances associated with NYSEG's role: continuation of outstanding customer service; emergency response services; and safety and reliability whether or not the customer chooses NYSEG as its supplier. The **Voice Your Choice** message alerted customers to the mailing of enrollment kits in October, the length of the Enrollment Period and the two-year offer period; that customers could choose NYSEG or an ESCO; and how to get an ESCO list. It also re-introduced the "shopping bag graphic" to reinforce the concept of "shop for your electricity supply." We used this same graphic for the pricing pages on our Web site.
- September **EnergyLines** had the "mailbox graphic," a visual theme repeated in print advertisements, later bill inserts, bill envelopes and visual displays. This insert reminded customers that their enrollment kit would arrive in the mail in October; the length of the Enrollment Period and the two-year offer period; that customers could choose NYSEG or an ESCO; and the automated phone line (1.866.NYSEG.03) and web site (nyseg.com) as resources for pricing and general program information. We also promoted the redesigned Web site and the benefits of creating an online account to view account information and usage – and to enroll in a supply choice in October.
- October **EnergyLines** launched the Enrollment Period and announced the upcoming arrival of the enrollment kit in the customer's mail. It also highlighted our Web site, where the enrollment kit was immediately available. General program details (as mentioned in the previous two bill inserts) were reinforced here: what choices were available; the Enrollment Period, two-year offer length, ESCO information; NYSEG's role as the delivery company; and the difference between delivery and supply.
- November **EnergyLines** reviewed NYSEG's role as the delivery company, the Enrollment Period and length of the offer period, and reviewed the components of each choice (fixed or variable supply and transition charges). This insert also contained detailed information on how to enroll an account.
- December **EnergyLines** featured calendar pages and the headline "Time is running out" – reminding customers to enroll prior to the December 30, 2004 deadline. It also detailed the ways a customer could enroll their account.

### ***Enrollment Kit Mailing***

The enrollment kit, a direct mail brochure, was the major vehicle by which customers could make an affirmative choice. Differing from the ***Voice Your Choice*** mailing in 2002, the collaborative group agreed to segment the customer mailings into two distinct groups: current retail access and non-retail access customers. The retail access group received a postcard. The non-retail access group was segmented into four separate categories according to service classification; similar to the grouping used in the first Enrollment Period. The enrollment kits included the following:

- An explanation of the enrollment process;
- Instructions on how to use the kit (contents);
- Information on how to enroll;
- Explanation of supply and delivery costs;
- NYSEG's responsibilities and role as the delivery company;
- Information on each of the supply choices;
- Table comparing the choices to each other (highlighting their differences and similarities) and information for the customer to determine which choice may be best for them;
- Glossary of terms;
- ESCO list specific to the customer type based on ESCO input;
- Questions to ask ESCOs when shopping;
- List of ways that the customer can enroll, and where to find answers to questions (via phone, local office, [www.nyseg.com](http://www.nyseg.com), bill inserts);
- Enrollment card to complete and mail to NYSEG;
- The PSC website and Ask PSC phone number;
- The price (e.g., rate) of the NYSEG Fixed Price Choice; and
- Estimated variable Transition Charges and NYSEG Variable Prices according to service classification, based on historical performance of these variable charges over the past two years and on market estimates.

In collaboration with Staff and parties, and based on input from the customer focus groups, NYSEG determined that four separate enrollment kits should be developed to assist customers in comparing price information. The collaborative group also determined that current ESCO customers should receive an abbreviated enrollment kit.

ESCO customers, regardless of service classification, received an identical enrollment kit. Their abbreviated enrollment kit contained the following information:

- Notification of the upcoming Enrollment Period and its length;
- Length of the offer period;
- Acknowledgement of the customer status – that they currently purchase their electricity supply from an ESCO;

- Reassurance that with any choice, NYSEG would remain their electricity delivery company, and all the assurances that accompany NYSEG's role therein; and
- What choices the customer could make, that their ESCO would handle their enrollment and their need to contact their ESCO if they wished to change their current choice.

The enrollment kits were divided into the following categories with the following (approximate) number sent via first class mail:

- Residential regular – **535,000** kits mailed;
- Residential day/night and time-of-use customers – **134,000** kits mailed;
- Small nonresidential customers, no retail access – **61,000** kits mailed;
- Large nonresidential customers, no retail access – **300** kits mailed; and
- ESCO customers – **42,000** kits mailed.

A total of approximately **772,000** kits were mailed. Prior to mailing, customer lists were reviewed to ensure the following:

- Customers with multiple accounts did not receive multiple copies of the same kit;
- Interconnect customers (NYSEG customers served by other utility distribution systems) received the appropriate kit;
- Foreign mail addresses (Canada, Europe) were sorted to receive special handling;
- NYSEG summary billing customers received the appropriate kits inserted with their summary bills and accompanied with a letter.

In further consultation with Staff and the ESCOs, a mailing schedule was developed. To enable NYSEG to appropriately respond to customer inquiries and allow the ESCOs to manage the volume of calls and coordinate their marketing campaigns, it was agreed to segment the mailing into separate groups sorted by zip code. Approximately **47,000** kits were mailed each day, beginning with western New York and moving eastward. A schedule was shared with ESCOs to assist them in organizing their marketing programs.

Seasonal customers, who were only eligible for the NYSEG Fixed Price Choice or the NYSEG Fixed Price Choice with Supply Credit during enrollment, were sent a letter instead of an enrollment kit. Approximately **10,000** letters were mailed.

### ***Radio and Newspaper Advertising Campaign and News Media Coverage***

Radio and newspaper ads supplemented the bill inserts and the enrollment kit direct mail. Radio reaches many of NYSEG's customers and enabled us to deliver the message using an appropriate level of clarity. Newspaper ads complimented radio by carrying more detailed information. Where practical, the media education campaign was coordinated with the ESCOs. Advertising can be segmented into two categories: one, arrival of the enrollment kit and Enrollment Period and two, enrollment reminders at the end of the period.

Developed in collaboration with Staff, the initial advertising campaign began approximately eight days prior to the mailing of the enrollment kits and eight days after the kit arrived. For print media, both full-page and 4 column 12" print advertisements were included. Radio advertisements also played on FM and AM stations. The print advertisement featured a large mailbox graphic with the enrollment kit inside; the accompanying text advised customers of the:

- Arrival of their "orange enrollment kit" in their mailbox;
- Opportunity to make a choice for their electricity supply;
- Ability to pay a fixed or variable price for supply;
- Ability to choose an ESCO;
- Length of the Enrollment Period and the date the customer's choice will go into effect;
- Kits having the information needed to make a choice; and
- That nyseg.com has online enrollment kits as well as online enrollment.

The radio advertisement contained similar information.

In addition to the paid advertising, local television and radio stations and newspapers carried news articles about ***Voice Your Choice***.

The second advertising campaign included a reminder to enroll and the print advertisements featured a graph documenting enrollments received to date. Additional advertisements were placed in the Lockport, Ithaca and Plattsburgh areas where enrollments were less than other NYSEG divisions.

**[www.nyseg.com](http://www.nyseg.com)**

NYSEG promoted ***Voice Your Choice*** on the home page, "Your Home," "Your Business," "ESCO's/Marketers" and "About NYSEG" pages. At the core page for ***Voice Your Choice***, the enrollment kit mailbox graphic appeared with key information regarding enrollment. The "Energy Supply Choices" section included:

- General descriptions defining supply and delivery;
- ESCO list and questions to ask ESCOs; and
- NYSEG's role as the delivery company.

Beginning October 1, 2004 "Energy Supply Choices" was expanded. Now NYSEG added:

- Supply choice descriptions;
- Enrollment instructions;
- Printable versions of the enrollment kits;
- Information about electricity supply and delivery; and
- Pricing pages for each of the selections by service classification.

In the pricing pages section, customers were able to view the daily price by rate or service classification (with assistance on determining their rate or service class). Each component of the total price was displayed (supply prices could not be displayed for ESCO choices). Customers could also access historical data to view price trends. Customers could also view the Average Monthly New York Wholesale Electricity Supply Price trend.

Online enrollment also began on October 1, 2004. By entering their login and password, online customers could select or change their enrollment option. They could also view their usage information to assist them in making a supply choice. Customers who did not have a login id were brought to the “create Login id” screen and instructed to follow the prompts. NYSEG also promoted creating an online account at nyseg.com and via **EnergyLines** prior to the Enrollment Period.

### ***Public Presentations***

To further support customer understanding of electricity supply choices and to promote enrollment, NYSEG was available to present to any customer groups upon request. Because this was the second Enrollment Period at NYSEG, few requests for presentations were received, as compared to 2002. NYSEG presented to **28** customer groups throughout our service area. The media was present at many of the meetings, providing local coverage of the event and of the enrollment process. NYSEG also provided information to local media by way of press releases, granting interviews and answering questions to aid enrollment.

At the presentation sessions, as well as in media interviews, NYSEG provided customers with information about their choices, how to enroll, the Enrollment Period, and how to get an additional enrollment kit. NYSEG mailed additional kits to customers who attended meetings, called our 1-866-NYSEG-03 number or contacted us on nyseg.com. The most frequently asked questions by customers at these events were:

- Can you explain the transition charge?
- How will this impact my budget/balanced bill?
- If I want to stay with my current choice, what do I need to do?

### ***Human Service Agency and Special Needs Customer Outreach***

Representatives from NYSEG’s Power Partner low-income program and Customer Advocates received training to assist them in providing information to special needs customers. Again, as with the decline in demand for customer presentations, agencies did not contact NYSEG requesting special **Voice Your Choice** training sessions be scheduled. Questions and assistance to agency members was handled either in person or via telephone on an as-needed basis.

### ***Market Expo***

As part of the Joint Proposal, NYSEG agreed to conduct Market Expos in order to bring ESCOs and NYSEG’s business customers together to exchange information related to electric commodity choices. Eligible customers were those who met a threshold peak demand of 250 kW or greater at least once in the last twelve months (service classes SC 3, 7-2, 7-3, 7-4) including customers who were currently participating in retail access. NYSEG had 1,571 eligible customers.

NYSEG contacted participants by mail in September, with responses due back in early October. NYSEG also promoted the Market Expo on our Web site, to encourage both customer and ESCO participation. ESCOs received customer data at least two weeks prior to the date of the event.

At the event, NYSEG made a presentation on the state of retail and wholesale electricity markets, customer rate options and retail access rules; Staff made a presentation and NYSEG provided space for a “trade show” atmosphere to encourage participation among the ESCOs and customers in attendance. The common themes to customer questions were to clarify their understanding of the rate structures, as well as confirming what to ask ESCOs when shopping for pricing information.

Market Expo meetings were scheduled as follows:

October 14, 2004 – Holiday Inn, Buffalo, NY

October 28, 2004 – Binghamton Regency Hotel, Binghamton, NY

In Buffalo, 31 customers and 10 ESCOs attended; in Binghamton 45 customers and 9 ESCOs attended.

### ***Market Match***

NYSEG also continued our Market Match program to provide opportunities for ESCOs and NYSEG's business customers to exchange information related to electric commodity choices. Large customers served under the following Service Classes were eligible for this program – SC 3, SC 7-2, SC 7-3 and SC 7-4. In addition, customers whose NYSEG eligible load reaches at least 250 kW billing demand once in a 12-month period of time were eligible to participate. Current retail access participants (in 2004) were not eligible. Eligible customers were required to provide, in writing, authorization for NYSEG to release their account information to ESCOs approved by the Public Service Commission who participate in Market Match.

NYSEG promoted Market Match through a mailing to eligible customers in August 2004. Current retail access customers (who were ineligible to participate) were invited to attend a Market Expo in their area. NYSEG also promoted Market Match on our Web site, to encourage both customer and ESCO participation.

As of January 2005:

107 Customers participating

369 Participating associated accounts

Market Match will continue to be offered on nyseg.com.

### ***Customer Communications –Confirmation Outreach and New Customers***

Customers each received a letter confirming their choice during the Enrollment Period. If they changed their initial selection during the Enrollment Period, a new letter was sent confirming the change. Customers enrolling via the automated phone system or the Web site also received a confirmation message (a recorded or printable message) as they entered their enrollment choice. This formal confirmation of customer choice is a critical communication tool for customers to eliminate any potential confusion regarding their choice status and an important element of control and transparency for the VYC. Program.

Over **255,000** letters were mailed (first class) to customers in the following categories:

- Letters confirming a supply choice (NYSEG or an ESCO as the supplier) – **255,000**;
- Letters confirming selection of a new ESCO – **21,000**.

As of November 1, 2004, new or relocating electricity customers were offered ninety days from the date of service to make a supply choice. A special enrollment kit (without the December 31 deadline) was sent to these customers to assist them. This same kit (one version for residential customers, one for nonresidential customers) will be used throughout the offer period.

Now that the offer period is in effect, new or relocating electricity customers can make their electricity supply choice when they turn on service; if they are unsure of their choice, they will be placed in the appropriate default option (depending on rate) and allowed 90 days to make an alternative electricity supply choice. The new customer welcome letter will also include information regarding the customer's electricity supply choices.

### **Reminder Calling & Mailing**

To remind customers of the importance of the Enrollment Period, NYSEG conducted automated outbound calling and a direct mail campaign for customers currently billed at the NYSEG Fixed Price Choice rate who had not enrolled their account for the 2005-6-offer period.

The reminder letter included information on how to enroll, the enrollment deadline, choices available, that ESCO choice was available, and how to obtain further information about the program. A postage-paid enrollment card was included. NYSEG mailed 690,000 reminder letters working from the West to the East of the service area from December 6 and finishing on December 17, 2004.

For the outbound calling, NYSEG recorded three separate messages:

- If the customer answered the call, the program verified the customer's name and reminded them to enroll in a choice, and gave them the ability to confirm their enrollment if they did not wish to chance their rate selection.
- If an answering machine engaged, a recorded message was left reminding the customer to enroll their account, including instructions on how to enroll and NYSEG's 1.866.697.3403 **Voice Your Choice** toll-free number.
- If someone other than the customer of record answered the call, the recording asked the respondent to remind the customer to enroll his or her account and provided the 1.866.697.3403 contact number.

NYSEG's outbound calling campaign successfully contacted 381,000 customers; **119,000** messages were left with a person or an answering machine, and the remainder of the calls were received by the customer.

### **Grace Period**

NYSEG worked closely with Staff and parties to develop a notification process for all NYSEG Fixed Price (BRO) defaulting customers to inform them of the grace period. As a result of customer confusion and dissatisfaction with the postcard mailing in 2003 for the first Enrollment Period, NYSEG modified the grace period outreach for the second commodity offering.

During the grace period in 2005, messages in our bill insert (*EnergyLines*) have reinforced the opportunity for customers who chose or defaulted during the Enrollment Period to reconsider their choice and select another choice including an ESCO.

## **V. OUTSTANDING PROGRAM RESULTS**

### **Customer Affirmative Choice**

An overwhelming **30%** of NYSEG customers responded to the call to action to make an affirmative choice. This number of customers responding (over **255,000**) exceeds results of the previous Enrollment Period by **70%**, where **150,000** customers responded.

Migration to ESCOs as a result of this program increased approximately 38%.

**255,083** enrollments were received:

**9.4%** Competitive Supplier Price

**75.2%** NYSEG Fixed Price

**12.5%** NYSEG Variable Price

**2.9%** Fixed Price with Supply Credit

The majority of customers choose to enroll by returning the post card. Method of enrollment:

- **75.3%** Direct Mail
- **12.1%** ESCO enrollments
- **9%** VRU
- **3.6%** Internet

### ***Market Expo and Market Match***

NYSEG's two Market Expo events, in Buffalo and Binghamton, had a total of **76** customers in attendance, representing 210 accounts. As a result, **6%** of the attendees who were not enrolled in retail access now are with an ESCO. For Market Match, as of January 2005, **107** customers are participating in the program, with **369** associated accounts.

## **VI. CONCLUSION**

This Voice Your Choice Program is the most comprehensive and highly successful retail access program in the state. It provided customers extensive information on the full menu of choices available to them, which enabled them to make an educated, fully informed choice. This program is in accordance with PSC policy on furthering competition as it resulted in significant participation and an increase in customer migration. Customers overwhelmingly chose the NYSEG Fixed Price Option, indicating their clear preference for price certainty.

NYSEG's Fixed Price Option, released on the first day of the Voice Your Choice Program (10/1/04), set a visible and transparent benchmark price from which ESCOs could compete. This benchmark is a critical element in establishing and furthering a competitive environment for ESCOs while offering the protection of price certainty for those customers who prefer it.

The scope and intensity of campaign can be best summarized by the following VYC program statistics:

- NYSEG mailed over **772,000 Voice Your Choice** enrollment kits to customers.
- A reminder mailing and outbound calling campaign was initiated in December, with **690,000** letters sent and **500,000** telephone calls made to customers who had not yet made an affirmative choice.
- NYSEG's dedicated **Voice Your Choice** toll-free number, 1.866.NYSEG.03 received **123,204** customer calls, with **104,000** in December alone.
- An overwhelming **30%** of NYSEG customers responded with **255,083** enrollments.
- Over **255,000** letters were sent to customers confirming their enrollments.
- Two Market Expos were held, attended by customers representing **210** NYSEG accounts.
- Market Match continued to gather customer interest, with **107** customers participating, representing **369** associated accounts.
- NYSEG presented to **28** customer groups. The media was present at many of the meetings, providing local coverage of the event. NYSEG also provided information to local media by way of press releases, granting interviews and answering questions to aid enrollment.
- Significant advertising occurred throughout NYSEG's service area, including three large size billboards, four radio campaigns, and widespread newspaper advertisements to spur enrollments.
- Bill inserts from August through December featured **Voice Your Choice** information for customers.

The success of the program is demonstrated by the **70%** increase in customer enrollments from **150,000** in 2003 to more than **250,000** in 2004 – from **20%** of all NYSEG customers to **30%**. The Company believes this level of customer response has been achieved nowhere else in the country and validates the soundness of our approach in implementing retail choice. Further, because **8** out of **10** customers selected the NYSEG Fixed Price Option, it is clear that the benefit of price certainty is a top priority for our customers. At the same time, customer migration was significantly increased by **38%**, as customers chose a third party supplier.

These facts make clear that NYSEG's ***Voice Your Choice*** program was implemented in accordance with PSC policy on furthering competition.

## 2.1. Media Chart



