

**Orange and Rockland Utilities, Inc.
Mandatory Hourly Pricing Program
Process Evaluation**

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**Orange and Rockland Utilities, Inc.
MHP Program Process Evaluation**

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1. Executive Summary

In accordance with a New York State Public Service Commission (NY PSC) order¹, Orange and Rockland Utilities, Inc. (O&R) conducted a six month evaluation of the Mandatory Day-Ahead Hourly Pricing (MHP) Program (Rider M). The evaluation consisted of utility staff interviews, data and documentation review, and analysis of a NY PSC-implemented customer survey of MHP and energy service company (ESCO) customers.

The evaluation specifically assessed the effectiveness of O&R's efforts to implement the MHP program among its 38 Full Mandatory Hourly Pricing customers, and examined customer transition issues to determine how effective O&R was in assisting customers during program transitions.

O&R filed and implemented a marketing and outreach plan with the NY PSC in February 2004. O&R further revised and submitted this plan to the NY PSC in November 2005. Prior to the actual shifting of customers on May 1, 2006, O&R implemented a comprehensive communication and marketing plan which included a direct mail campaign, educational seminars, and customer visits; provided customer bill evaluation tools; and made exhaustive efforts to conduct conversations with all customers affected by the new tariff. A coordinated communications, training, and education effort was led by a Joint Committee within the Large Power Group.

The evaluation determined:

1. Customers were given sufficient notice to be aware of the pending MHP tariff;
2. Customers who communicated with O&R staff or attended any informational session appear to understand MHP;
3. Some customers cannot shift load and lack the resources to manage loads;
4. The educational seminars appear to be useful to those who participated; and
5. The internet based Demand Monitoring System (DMS) and Cost Analyst tool provides a reasonable means for customers to view their interval meter data and forecast hourly costs.

RLW Analytics, Inc.'s (RLW) recommendations are that O&R:

- A. Consider offering another live information exchange;
- B. Continue to be available for customer support; and
- C. Enhance the customer research element of the evaluation.

¹ Case 03-E-0641, *Proceeding on Motion of the Commission Regarding Expedited Implementation of Mandatory Hourly Pricing for Commodity Service*, Order Denying Petition for Rehearing and Clarification in Part and Adopting Mandatory Hourly Pricing Requirements (issued April 24, 2006) at 38.

2. Introduction

This document represents a process report based upon research conducted by RLW for an evaluation of the O&R MHP Program.

3. Evaluation Objectives and Methodology

O&R retained RLW to produce a process evaluation of the MHP program. This evaluation assesses the effectiveness of O&R's efforts to implement the MHP program among its 38 Large Time of Use (TOU) customers² who were eligible for MHP at the time of the tariff implementation, and determine how effective O&R was in assisting customers during program transitions.

3.1 Primary Evaluation Objectives

The goal of this process evaluation is to examine the way in which O&R executed the MHP Program and then determine its success. Specifically, the primary evaluation objectives of this study are to:

1. Assess the effectiveness of O&R's implementation efforts of the MHP program among its 38 Large TOU customers;
2. Examine customer transition issues and determine how effective O&R was in assisting customers during program transitions, including:
 - a. the effectiveness of O&R's communication and marketing efforts, including direct mailings;
 - b. educational seminars;
 - c. customer visits that encouraged open dialogue;
 - d. how customers were provided with bill evaluation tools; and
3. Determine outcomes and lessons learned that can be applied to the continued transition, as well as similar future efforts.

3.2 Process Evaluation Objectives

RLW developed the list of researchable questions set forth below into an interview guide for O&R management and staff. This interview guide was then submitted to and approved by O&R. Column entries show where each researchable question would be addressed by each discrete research task (i.e., data review, participant survey, and staff interviews).

RLW performed the data review and staff interviews per this table below. "Participant survey" refers to the customer survey conducted by the NY PSC. Check marks indicate survey questions that RLW perceived as replicating or closely matching the researchable questions.

² The Large TOU customers consist of those O&R commercial and industrial customers with loads greater than 1mW.

Table 1: Researchable Questions

Question	Document Review	Participant Survey	Utility Staff Interviews
How did customers eventually learn about the MHP? How long did it take?	✓	✓	✓
How much did all potential participants readily understand the MHP, and were able to effectively weigh the merits of MHP versus switching to energy suppliers?	✓	✓	✓
What internal staff and resources did customers rely upon for assessing MHP? What external resources did they rely upon?	✓	✓	✓
How much did customers contact O&R for information and support? How did they perceive the information and service O&R provided them?	✓	✓	✓
How useful and effective were each of the educational and communication tools, venues, and channels?		✓	✓
What were the key transition issues? How were they resolved or mitigated by O&R, market actors, or others?			✓
How sufficient and timely was the communication, support, and information provided by O&R to these customers' satisfaction?	✓	✓	✓
What unexpected events, if any, occur among customers or O&R staff? How were they managed?			✓
How many resources - time, money, and staff - did customers end up using or committing during the transition? Was this a temporary or longer term condition?	✓		✓
How did customers adapt to MHP once it began?	✓		✓
What type of customers were more comfortable with the transition processes than others, and why?			✓
What customers appeared to need more informational support? What kind of support was it?	✓		✓

3.3 Methodology

The evaluation scope of work entailed five tasks:

- Task 1: Kick Off Meeting;
- Task 2: Review of Program Materials and Documentation;
- Task 3: Staff Interviews;
- Task 4: Analysis; and
- Task 5: Draft and Final Report.

RLW arranged the Task 1, Kick Off Meeting, via a telephone call with O&R on December 13, 2006. During the meeting, participants discussed the need for and intent of the evaluation, and then covered the following items:

- Familiarize O&R staff with RLW and the evaluation process;
- Information about the mandatory pricing program;
- Clarifications of the evaluation objectives;
- Review each element of the proposed research plan;
- Review the evaluation schedule; and
- Establish reporting relationships and communication protocols.

NY PSC managed the customer survey and mailed both a cover letter and survey identifying the mailing as coming from the NY PSC to an O&R-provided list of Large TOU customers. Customers who received the mailing were requested to fill out the survey form and return it to the NY PSC, or to respond via a web-based survey.

Data Review

O&R forwarded a combined group of electronic and hard copy documents to RLW after the kickoff meeting. RLW also made several e-mail and telephone requests to O&R for additional specific documents and data, which O&R promptly provided.

The table below sets forth the final list of documentation that RLW reviewed thoroughly for this evaluation.

Table 2: Data Provided and Reviewed

Item	Date	Format
NY PSC Case 00-E-2054, Order Requiring Filings and Reports on Utility Demand Response Programs issued 12.22.2000	12.22.00	Electronic
PSC Case 03-E-0641 Proceeding On Motion Regarding Expedited Implementation of Mandatory Pricing for Commodity Service:		
ORDER INSTITUTING PROCEEDING	4.16.03	Electronic
NOTICE REQUESTING COMMENTS	4.03.06	Electronic
ACTIVE PARTY LISTS – 5.12.03, 6.12.03, 2.01.06	various	Electronic
ORDER ON EXPANSION OF VOLUNTARY REAL TIME PRICING PROGRAMS	10.30.03	Electronic
RESPONSE LETTER TO REQUEST FOR EXTENSION IN COMPLIANCE FILING	1.28.04	Electronic
ORDER APPROVING PLAN COMPLIANCE FILINGS IN PART AND DIRECTING FURTHER FILINGS	8.01.05	Electronic
ORDER INSTITUTING FURTHER PROCEEDINGS AND REQUIRING FILING OF DRAFT TARIFFS	9.23.05	Electronic
ORDER DENYING PETITIONS FOR REHEARING AND CLARIFICATION IN PART AND ADOPTING MANDATORY HOURLY PRICING REQUIREMENTS	4.24.06	Electronic
O&R Filings and Communications to NY PSC:		
Voluntary RTP Marketing Plan	2.12.04	Electronic
Compliance filing for 4.24.06 NY PSC Order	4.27.06	Electronic
Appendix copy – Mandatory Rider M 145-146	4.27.06	Electronic
Assessment of potential implications of MHP for economic development customers	8.07.06	Electronic
Hourly Pricing Marketing Plan	11.22.05	Hard copy
Public Presentation, Marketing, and Training Materials:		
Letter – invitation for Voluntary Real Time Pricing	8.30.05	Electronic
Voluntary and Mandatory Real Time Pricing notification letters to customers – Oct 05 (large TOU customers), Oct 05 (retail access customers), Jan 05, Apr 06	various dates	Electronic
O&R, NYISO, and NYSERDA presentation slides	2.28.06 and 3.01.06	Hard copy
CECONY and O&R presentation on MHP to the Corporate Planning Committee	10.03.05	Electronic
In-House Training Materials:		
O&R employee training on voluntary RTP – slides	9.13.05	Electronic
Customer and Internal Communications:		
O&R Staff E-mails between customers and staff between 10.01.05 and 5.31.06	various	Electronic
Internal memo to senior management re: RTP issues	6.27.06	Electronic
Internal meeting memo re: ESCO issues	5.09.06	Electronic

Interviews

As noted above, prior to commencing interviews, RLW submitted a draft of the interview guide to the O&R evaluation project manager for review and approval. Utilizing the questions set forth in the interview guide, RLW performed in-depth, in-person interviews with key O&R managers and Account Engineers during the week of January 2-5, 2006. RLW also made subsequent follow up calls or e-mails to clarify various issues. The table below represents the final count.

Table 3: Interview Summary

Staff	Count
Managers	2
Account Engineers	4
TOTAL	6

These interviews allowed RLW the opportunity to learn in-depth about how O&R developed and implemented the MHP marketing and outreach plans, and to gain insight on customer attitudes, awareness, and behaviors relating to hourly pricing.

Customer Survey Analysis

The NY PSC developed and conducted the customer survey. All NYS utilities, including O&R, were provided an opportunity to comment on and suggest changes to the survey instrument. NY PSC staff prepared the final version based on the comments received.

O&R provided RLW with a copy of the survey questions, which was then compared to this evaluation's researchable questions. A number of survey questions closely matched the researchable questions. Appendix 1 shows the complete survey form.

Survey data was provided by the NY PSC in both raw form and fully tabulated results on December 8, 2006. A total of 23³ responses were collected. RLW subsequently segregated and tabulated results by O&R customers served under MHP versus those that are on ESCO service. Additional cross tabulations were made on a number of survey questions of particular interest for the evaluation. Since this was a survey designed and administered by a third party (i.e., NY PSC), there were some minor limitations for RLW to perform quality control and data assessment. These are discussed in detail in the Recommendations section.

³ One submittal was discarded because it had no responses beyond the first entry.

4. Program Process

4.1 Mandatory Hourly Pricing Program: Background

Orders and Filings

The foundation for the O&R MHP Program, and the related outreach and marketing activities for MHP, began with the establishment of tariffs filed with and approved by the NY PSC on March 2001 and May 2001 for Voluntary Real Time pricing (RTP) for commodity services.⁴

On April 30, 2003 the NY PSC instituted Case 03-E-0641, Proceeding on Motion of the Commission Regarding Expedited Implementation of Mandatory Hourly Pricing for Commodity Service, to consider revisions to the major NYS utilities' RTP tariffs, including implementation of mandatory hourly pricing. After receiving comments, the NY PSC issued an Order on Expansion of Voluntary Real-Time Pricing Programs on October 30, 2003, which directed the utilities to submit plans by February 2, 2004 that:

1. Specify the manner in which they will promote their Voluntary RTP programs to their largest customers;
2. Assess the potential impacts that RTP would have on their largest customers;
3. Provide details on improvements to their education and outreach programs targeted to those customers having the greatest opportunities or who are most suited to respond to hourly prices;
4. Undertake other measures to enhance their voluntary RTP programs; and
5. Provide goals for levels of customer participation.

O&R submitted its compliance filing for the voluntary RTP program on February 12, 2004. On August 1, 2005, the NY PSC issued an approval for the RTP marketing plans, and requested that the utilities submit participation goals by October 7, 2005. A subsequent order of September 23, 2005, detailed the need for acceleration of RTP implementation and requested draft tariffs for MHP, while excusing the utilities from participation goals.

On November 11, 2005, O&R filed its compliance plan for the September 23rd order. This filing included draft tariff leaves and a revised marketing and outreach plan. The draft tariff language changed the existing Rider M for voluntary hourly pricing into a mandatory condition until and unless a customer switches to ESCO commodity service. On April 24, 2006, the NY PSC issued an order which adopted the MHP requirements, and directed O&R to file tariff amendments to implement MHP in accordance with the draft tariff provisions previously filed, and to be effective on May 1, 2006. O&R subsequently submitted these on April 27, 2006.

O&R Tariff Implementation

⁴ This in turn was based originally on Case 00-E-2054, Order Requiring Filings and Reports on Utility Demand Response Programs issued 12.22.2000.

Beginning May 1, 2006, O&R shifted 38 Large TOU customers into the new tariff under Rider M, where customers are charged hourly for the NYISO posted zonal day-ahead market price for energy. These energy charges vary depending on time of day, season and other market conditions. All MHP customers have interval meters. At that time there also were 37 customers served by ESCOs that would fall under Rider M if they returned to full utility service.

NY PSC Evaluation Order

The NY PSC order of April 24, 2006, also included an order to conduct an evaluation of MHP issues as discussed in the order by February 1, 2008, along with the conduct of a survey of eligible MHP customers at a point six months after tariff implementation. O&R filed an Evaluation Plan on June 23, 2006, in response to this order. This plan detailed how the six-month and two-year evaluations would be conducted. In addition, O&R evaluated potential hourly pricing bill impacts on economic development customers, and delivered a report on this topic to the NY PSC.

Per the plan, the six month evaluation (which this report represents) was undertaken to assess the effectiveness of O&R's program efforts to implement MHP among its eligible customers and further facilitate customer transition. In order to facilitate this evaluation, NY PSC staff agreed to conduct the six-month survey of these eligible customers. The NY PSC Staff designed this survey and, after soliciting input from the NYS utilities, including O&R, implemented it in October 2006. The NY PSC forwarded a preliminary set of results to O&R on December 8, 2006, and a subsequent final set on December 13, 2006.

4.2 Marketing and Outreach

Overview

O&R submitted a revised marketing and outreach plan to the NY PSC in its November 21, 2005 filing. In anticipation of the order to implement MHP, O&R began implementation of the plan in December 2005. Prior to the actual shifting of customers on May 1, 2006, O&R developed a comprehensive communication and marketing plan which included a direct mail campaign, educational seminars, and customer visits; provided customer bill evaluation tools; and initiated conversations with each of the Large TOU or retail access customers that would be affected by the new tariff.

A communications, training, and education effort was led by O&R's Large Power Manager and Director of New Construction Services and coordinated with the four Major Account Engineers. This combined team fully apprised customers eligible for MHP of the implementation dates; assisted these customers in understanding the operation and impact of the new tariff; and sought to familiarize these customers with potential alternative supply options, and their ability to shift to third party energy suppliers (i.e., ESCOs). Each Account Engineer was responsible to answer customer questions about billing and metering issues in a timely fashion.

O&R, in collaboration with its affiliate, Consolidated Edison Company of New York, Inc. (CECONY), continued to use the services of Itron⁵ to deliver a Cost Analyst feature of DMS to its

⁵ Previously Silicon Energy until acquired by Itron.

customers. Cost Analyst provides customers with the ability to compare various hourly pricing scenarios and a full service O&R bill. O&R also conducted two customer education seminars in February and March, 2006, and invited key representatives of the New York State Independent Service Operator (NYISO) and New York State Energy Research and Development Authority (NYSERDA) for presentations. In these sessions, NYSERDA presented an overview of energy savings programs and incentives, while NYISO staff discussed the establishment of the wholesale electric market/operation of the transmission system. Finally, O&R invited representatives of all active ESCOs to attend these customer educational seminars to facilitate critical networking between customers and energy suppliers.

Timeline

The table below summarizes the key dates described above.

Table 4: Key Timeline Events

Orange and Rockland Utilities Inc.
Mandatory Hourly Pricing Program – Process Evaluation

Date	Who	Event
12.13.00	NY PSC	NY PSC status report on demand/supply component, including RTP
12.22.00	NY PSC	NY PSC issues Case 00-E-2054, Order Requiring Filings and Reports on Utility Demand Response Programs
5.31.01	NY PSC	PSC – 2 nd status report on above
4.30.03	NY PSC	NY PSC institutes proceedings on case no. 03-E-0641; directs utilities to file voluntary RTP tariffs
10.30.03	NY PSC	NY PSC order on expansion of voluntary RTP program; orders were to: 1. Assess potential impacts for RTP 2. Submit a plan by 2.02.04 for - i) specify how vol. RTP will be promoted ii) details on changes for education/outreach iii) enhancements on voluntary RTP iv) goals for levels of customer participation
1.26.04	O&R	Letter requesting extension until 2.13.04 to make compliance filings
1.28.04	NY PSC	NY PSC letter granting the extension
2.13.04	O&R	Compliance filing
8.01.05	NY PSC	NY PSC order approving market plan compliance (“marketing compliance order”)
9.07.05	O&R	Established contract for Cost Analysis tool
9.23.05	NY PSC	NY PSC order instituting further proceedings and order requiring draft tariff for MHP
10.03.05	O&R/CECONY	Joint presentation on RTP to CPC
11.01.05	O&R	Customer notification letter and bill insert
11.01.05	O&R	Formed Joint Committee to create RTP program
11.21.05	O&R	Compliance filings, including amended marketing plan
12.07.05	O&R	Large time of use customers notified of tariff filing via letter
12.30.05	O&R	Train Account Engineers on use of web-based analysis tool
2.28.06	O&R	Hourly pricing information exchange - invitations mailed to Large Time of Use customers - presentations coordinated with contributors (NYISO and NYSERDA)
3.01.06	O&R	2 nd hourly pricing information exchange held 4.04.06
4.24.06	NY PSC	NY PSC Order Denying Petitions for Rehearing and Clarification in Part and Adopting Mandatory Hourly Pricing Requirements
4.27.06	O&R	Compliance filing for above
6.23.06	O&R	Compliance filing – evaluation plan filed
8.07.06	O&R	Compliance filing – economic development exemptions for MHP
12.01.06	O&R	O&R begins six-month evaluation
12.13.06	NY PSC	Final six-month survey results forwarded by the NY PSC

Marketing and Outreach Plans

As part of the 2003 work in developing interest and participation in RTP, O&R had used a number of communication channels towards their largest customers who could benefit from voluntary RTP. Outreach efforts included direct mail, person-to-person contact, seminars, and web site enhancements. In collaboration with CECONY, O&R purchased the Enterprise Energy Management (EEM) software suite from Silicon Energy⁶ for Demand Response Programs. Included in the EEM suite was the Demand Monitoring System (DMS). The Company developed and launched DMS for its customers at no charge, which allowed customers to track their monthly energy usage and peak periods.

⁶ Now Itron (see previous footnote).

As mentioned above, O&R submitted a marketing and outreach plan to the NY PSC as part of its February 2004 filing. After the NY PSC approved this original plan, O&R proceeded to implement a number of elements in the plan prior to the NY PSC order of November 2005, which requested a submission of a revised plan for MHP. The additional elements of this revised plan were also implemented immediately after filing in anticipation of NY PSC approval and final order for MHP.

The original February 2004 plan consisted of the following elements (which at the time referred to Voluntary Real Time Pricing, or VRTP):

Web Technology – O&R would enhance the DMS to include Cost Analyst, a component which allowed customers to model comparison scenarios between their current rate and the NYISO Day Ahead Market price.

For interested customers, O&R would offer education on RTP using web conferencing technology. O&R employees would be trained prior to offering this to the eligible customers. The training sessions would be designed to facilitate a hands-on approach with customers.

Company Seminars – A web conferencing technology would be offered to provide additional customer education and training. These would be internet-based training sessions where customers can gain real time exposure to hourly energy usage patterns and use of the DMS/Cost Analyst tool. Account executives, customer project managers, and sales/marketing employees would also participate in training as well.

Live Seminars – A live seminar would communicate a number of core elements regarding electric energy and options available to customers. The session would include:

- Description on the difference between electric power delivery and electric power supply, and how the program addresses options related to electric power supply;
- Explanations about the Orange and Rockland's Market Supply Charge (MSC), voluntary RTP program and the options of a third party supplier for securing electric supply;
- Explanations on the day-ahead pricing information available through the NYISO and details of the Orange and Rockland's MHP program;
- Explanations on achieving energy cost savings using the VRTP program, including how customers will likely have to either reduce their electric energy usage or shift a portion of their energy usage from peak load periods to lower priced periods;
- An overview of the capabilities of the DMS tool and its availability to customers;
- Representatives from the NYSERDA would be invited to explain and promote their programs that support energy efficiency and peak load reductions; and
- Distribution of an enrollment package to each customer that would include their customer account number, their energy profiles covering historical usage, and other energy choice information as well as the phone number of their Major Account Engineer.

Individual customer contact – O&R Account Engineers would conduct a focused outreach through face-to-face visits to discuss and present RTP cost analyses. O&R's Major Account Engineers would follow up the seminar after several weeks with a call to each customer

requesting an opportunity to meet individually with the customer. The intent would be to answer questions regarding the VRTP program, explain the energy profiles and offer more comprehensive education covering the use of the DMS tool. Account Engineers would also follow up with customers who decline the individual contact meetings in order to discover what the reasons might be.

Revised Plan

The February 2005 revised plan reiterated each of the elements above. In addition, the following items were included:

- O&R identified seven customers who at the time of the filing no longer met the 1 mW monthly usage threshold. O&R proposed to contact these customers to determine if the customer would choose to remain on SC9 or SC22 tariffs, or, if the customer would choose to transfer to a voluntary TOU or a non-TOU service classification;
- A determination to conduct two live seminars in different parts of the O&R service area;
- ESCOs would be invited to actively participate in the seminars;
- O&R would install telephone lines to capture interval usage data at ten different sites⁷; and
- O&R would contract with Itron to model up to six commercial and industrial rates, and conduct both a one-day workshop and a two-day training session for O&R staff.

⁷ These were in particular customer sites that did not yet have telephone line access for transmitting interval data.

4.3 Implementation

4.3.1 Implementation Tasks and Strategies

Per their filed plans, O&R used a number of concurrent tasks and strategies to inform all customers eligible or affected by Rider M, and afford them sufficient opportunity to use resources to learn more or make choices.

DMS/Cost Analysis Tool

In collaboration with CECONY, O&R had begun offering the DMS tool in 2002. O&R specifically offered this tool to customers that participated in the NYISO curtailment programs. The tool was originally developed and launched to allow all program participants with interval meters to access and monitor their energy use and billing data, and see this data converted into a variety of charts and reports. Specifically, the DMS tool provides users the electronic ability to:

- Track wholesale electric energy costs and utility meter load profiles;
- Observe the length of time loads stay peaked at a given demand level;
- Break down and view energy use by hour, day, week, month, or year;
- Develop and save individualized reports for later access to routine information;
- Export trend profiles and compare them with specific activity level or other data to determine “cause-and-effect” relationships between energy use and other non-energy variables;
- Benchmark energy use among different facilities; and
- Rank multiple meters based on parameters such as consumption, peak demand, and load factor.

The Cost Analyst element of the DMS tool was developed in 2005. O&R established a contract for this analysis tool⁸ effective September 7, 2005, and established customer and rate scenarios the following week. Cost Analyst was a new addition that allows customers to look at hourly consumption for comparative purposes with day-ahead hourly pricing. Using Cost Analyst, customers can develop rate decision comparison scenarios based on their historical usage.

In House Training

O&R conducted a number of in-house training sessions to inform and instruct its staff prior to the commencement of MHP. O&R organized an internal team meeting to discuss the tariff filing and plan on October 18, 2005. Management also organized a full day in December 2005 for the DMS tool vendor to conduct a full presentation for Account Engineers and all other staff who support customers. This meeting allowed the Account Engineers and other staff to work directly with the vendor to understand how to best use the Cost Analyst element of the DMS tool. This included steps on exploring methods to have the tool generate the kinds of reports and outputs

⁸ In customer communications and program documentation, this tool is sometimes referred by O&R as the “EEM tool” or “Itron” tool. The DMS tool is the original software foundation, and the Cost Analyst tool is the additional element added to it in 2005.

that the engineers knew would be the most meaningful to customers. The staff also spent additional time discussing the new tariff, the impacts they would make, and how to conduct approaches with various customers.

The internal training sessions provided a historical overview of events leading up to MHP; what Rider M is composed of; which customers would be affected, and the choices these customers will have after the tariff becomes effective; a description of Market Supply Charge and how it works; descriptions about third party suppliers (i.e., ESCOs); and customer enrollment requirements. After MHP began, follow up meetings with staff about MHP issues were also conducted in May and June 2006.

MHP Notification to Customers

O&R first sent a letter on August 30, 2005, that invited customers to participate in VRTP. This letter described how VRTP worked, and invited customers to one of two September customer meetings to learn about VRTP and view how energy profiles are modeled.

O&R next mailed a letter on October 11, 2005 (and sent again on January 30, 2006) to every eligible customer that described the following:

- A description about the draft tariff (pending PSC approval) for MHP, and a brief description of how hourly retail electric supply pricing works;
- A suggestion that VRTP customers will need to be more knowledgeable about energy usage and their profiles so that they can respond to fluctuating prices;
- An invitation for customers to attend one of two informational meetings on December 14th and December 21st, with topics on operational strategies to control load factors, cost model demonstrations, understanding energy consumption patterns, implementing demand response programs, and managing energy usage;
- Suggested that customers take the time to learn more about retail choice, and to visit the O&R web site for energy service companies information; and
- An invitation to look at hourly retail pricing schedules on the NYISO website, and to visit the NYSERDA website for information on energy use management, load reduction, and energy efficiency.

Retail access customers were then sent a letter on October 20, 2005, which briefly described the upcoming tariff and how RTP will work. The letter indicated how the O&R records showed the customer to be a retail access account. It stated that the customer therefore is not subject to VRTP when the tariff becomes effective, but would be if they returned back to O&R as a full service customer. The customer was also invited to visit the NYISO and the NYSERDA websites.

Finally, a fourth letter was mailed on April 12, 2006, which reiterated that the revised tariff would become effective on May 1, 2006, and that all large TOU full service customers would be billed as an MHP customer beginning on their first billing cycle of the effective tariff date. The letter invited the customer to contact their Account Engineer or the Large Power Manager for questions or concerns.

Live Information Exchanges

Per the marketing and outreach plan, O&R held two live informational events on February 28, 2006 and March 1, 2006. Customers were first invited through the notification letters sent in October 2005 and January 2006. Account Engineers also were given early information about the seminars, and asked to reach out to each of their major bundled service accounts about attending. The Account Engineers used a combination of phone calls, e-mails, and face-to-face visits. In addition, O&R also contacted those customers with retail service that also met the minimum 1 mW monthly demand and invited them to attend as well.

Each seminar was a four-hour session that provided a complete overview of the real time power market, and covered tools and information available from O&R, NYISO, and NYSERDA. The sessions consisted of:

- A presentation by a senior representative of NYISO that described its function and how the New York power markets work, including the settlement system for load and a description of load zones; how delivery costs are constructed; a review of the NYISO website; a review of the OASIS website and how it works; and an invitation to contact the NYISO for questions and help;
- O&R's DMS/Cost Analyst tool was presented by the contractor's senior manager that developed the program from Itron. This presentation broke out what the website does; how the building load and energy usage data looks, and what it represents; how to access and use the site; how to look at or compare load or usage data for multiple buildings owned by the account holder; how to set up and run "what-if" comparisons from existing rates to an Hourly Pricing scenario; how to evaluate supplier bids; and where to get on-line training; and
- A presentation by senior NYSERDA staff on specific programs, technical services, and incentives that O&R electric account customers can access to manage hourly and demand pricing. Information was specifically given on the Flex Tech/Technical Assistance programs for a wide variety of engineering, technical, custom, or specialized services relating to energy management and energy efficiency; and detailed information was given on the services and incentives available from the Peak Load Reduction Program for permanent demand reduction, load curtailment/shifting, distributed generation, and interval metering. Other programs relevant to large commercial users were mentioned as well.

Sixteen customers (or consultants representing them) registered to attend this session, along with the presenters and eight ESCO representatives. O&R Account Engineers were also on hand. Staff from other O&R internal departments was also invited to learn more about MHP. There were a total of 26 attendees. A repeat session was held the next day in another part of the O&R service area, with the same presenters and information. There were 14 customers who attended out of a total of 22 attendees.

Outreach, Follow Up and Support By O&R staff

O&R has four Account Engineers who each serve a specific geographic section. Each Account Engineer is assigned a set of large accounts. O&R has an internal program where on a monthly basis each Account Engineer has to visit at least two customers; this is considered a separate effort apart from a normal workload where customer communications are kept through phone

calls and e-mails. In the interviews, Account Engineers report that the normal visit schedule is usually three or four customers a month. The staff maintains continuous communications with all of their customers throughout the year, and is prepared to talk about RTP any time.

After the notification letters were sent, each of the Account Engineers personally contacted all of the full service customers who would be affected by the tariff. Each of these outreach efforts consisted of phone calls, e-mails, follow up voice mails (if calls were not returned), and personal visits as necessary. Each customer was, at the minimum, given information via a voice mail message and follow up e-mails which touched on the basic details about the upcoming changes in RTP and the tariff. Customers were given an offer for direct informational support by that Account Engineer, and invited to one of the two live seminars. Each customer was also given a password for the web-based analysis tool via an e-mail message.

In the beginning of 2006 before the tariff began, Account Engineers reported in the interviews that there was an initial surge of interest by some customers. Several Account Engineers described their efforts to secure visits with these customers who expressed interest, as well as extend offers of support towards each of their remaining customers. There were some customers who wanted to learn more when they received the letters and follow up calls. Several Account Engineers recounted how a few of their respective customers asked for a personal visit to go over the changes, and these customers were provided direct printouts from the DMS/Cost Analyst tool, given instruction on how to use it, or both.

WebEx Training Sessions

The marketing and outreach plan called for on-line training sessions to allow any O&R customer an opportunity to watch and learn, in real time, how the DMS/Cost Analyst tool works and how to use it. Since each Account Engineer had the freedom and opportunity to meet individually with each customer that would be affected by the new tariff, it was decided by O&R to offer in-person, one-on-one training sessions at customer sites. Several Account Engineers mentioned that they had performed sessions with some customers to demonstrate the Cost Analyst tool.

4.3.2 Implementation Challenges

Customers

The interviews with O&R staff revealed a number of customer barriers to the creation of motivation and interest about RTP and making energy purchase choices. Several Account Engineers recounted that the sum of all their customer reactions could be generally grouped into three categories:

- Those who acknowledged the unfolding situation and said that they just do not want to be bothered; some customers said they do not have the resources to manage it, and therefore they would just stay with the utility;
- Those who have the ability to budget and plan for power usage, and decided to secure a retail agreement with an ESCO; and
- Those who expressed an interest to learn more and figure out RTP; all of the Account Engineers said that this was the smallest group.

In particular, Account Engineers identified the following customer issues:

A number of customers demonstrated a lack of concern or expressed an inability to take action. As evident in a review of e-mail responses and through the accounts given in the interviews, most customers gave initial attention to the news of the pending tariff, and then moved on without further action. O&R staff made concerted efforts to inform and educate customers on the upcoming tariff and tools available to customers.

A few customers readily responded to the notifications, and attended the live seminars as well. Other customers responded to O&R staff messages by phone or e-mail, and expressed that they recognized what was happening but did not feel they could do much about it, such as these recollections:

“[To make sure customers understood] I had discussions with them over the phone – some people just didn’t want to discuss it; because [they felt] unless you can shift load you can’t do anything about it.”

“I got this kind of reaction from a few others like this. They see that even if they go with an ESCO and break even, they still would be just as well off to stay on the MHP.”

Several Account Engineers identified hospitals and retailers as customer types that typically cannot shift load due to the nature of their businesses.

There are split information channels, attentions, and interests from customer facility and operational staff. Another barrier is the make up of facility management for many of these large accounts. Some firms do not have a dedicated energy manager, but instead split their decision making on energy choices between a facility manager and a corporate decision maker, who usually is a financial officer. Account Engineers said that some customer accounts are New York State government buildings where purchasing decisions come from a centralized location instead of at the local level.

Some customers’ process of receiving and processing bills also erect barriers towards understanding energy issues and receiving new information. It was reported that some customers have an accounts payable staff that will receive the actual energy bills, but the detailed information pertaining to the bill may not make it to a senior financial officer of that firm. Some bills are sent to a different mailing address other than the actual metered site. This issue was highlighted by one Account Engineer’s recollection concerning a customer who didn’t even know what their current status was:

“I had one local customer say they did not know they had been switched to retail access. The choice was made by another higher decision maker within their company who is located outside of the local service location.”

Some customers perceive a lack of economic gain from switching to ESCO service. A number of O&R staff recounted how customers expressed disappointment regarding the lack of perceived savings by switching to ESCO service. Several Account Engineers pointed out that in some cases customers may have likely saved money if they had stayed with RTP rather than switch to an ESCO. They also said some customers express uncertainty if there are any lasting benefits to switch to ESCO service even if the overall cost is the same.

Billing Design for Rate and DMS Tool

Rate complexities had to be worked out to fine tune the Cost Analyst function of the DMS tool. As reported by CECONY staff in a related evaluation, most ESCOs attempt to emulate utility billing rates in their own analytical tools down to the exact penny. The Cost Analyst function is provided to customers as a tool for comparison purposes only, but not to represent a specific utility bill. It is designed to provide customers with a comparative analysis for informational purposes, and there is a disclaimer on the tool that it provides an estimation to make choices. By June 2006, O&R identified a number of items that were needed to fine tune the outputs, and worked to correct these with the contractor. These issues were corrected in the latter half of 2006.

4.3.3 Implementation Successes

Interviews with O&R staff and an assessment of sampled e-mail exchanges revealed a number of situations where customer questions were successfully managed. After the MHP tariff was implemented, a number of customers posed different questions and concerns to the Account Engineers. As demonstrated in a number of e-mail communications provided for this evaluation, O&R staff readily responded to customer inquiries and information requests. Account Engineers also had the ability to directly communicate with the vendor for the DMS/Cost Analyst tool as well.

Account Engineers provided several stories of successful transitions of specific customers into the tariff. The general theme that arises from these stories was that these were customers who already had an active interest in energy management. For example, one manufacturing customer who transitioned successfully was already predisposed to examine energy choices:

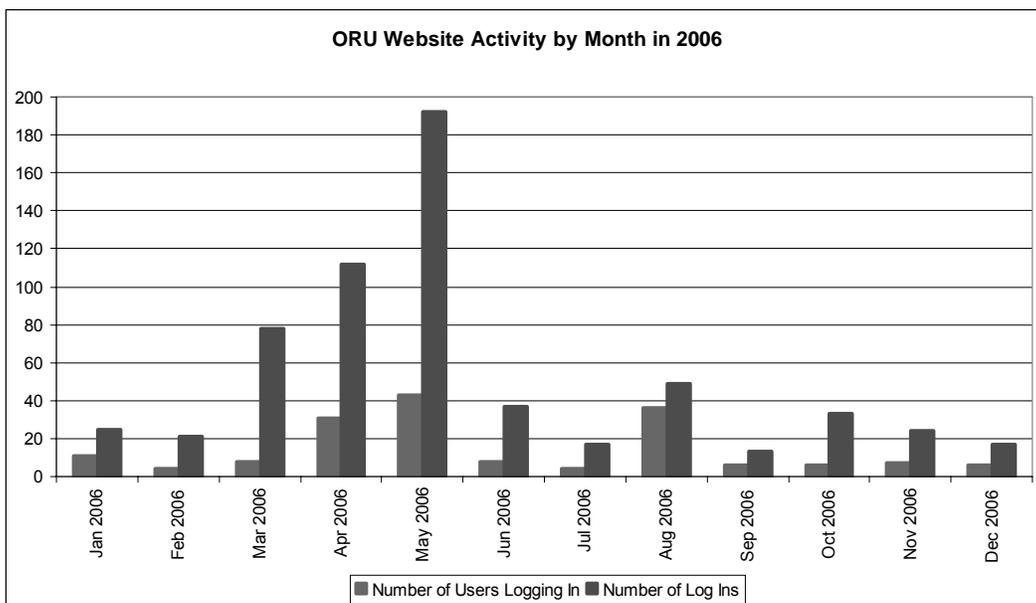
"I have a customer [who] is very proactive with anything pertaining to energy usage, so they were at the meetings. I visited this customer after the introductory meeting as well. We talked about it several times – he wanted to know if it was truly on the level – I assured him it was. They took advantage of the program. They flattened out their production and they benefited the most out of this program."

Another Account Engineer related how a major corporate customer who uses a consultant attended the March 1 event; after several phone conversations with this Account Engineer, the customer decided to move to ESCO service. Other Account Engineers recounted how several customers chose ESCO service after getting one or more personal visits where printouts from the Cost Analyst tool were presented:

“There is one customer I have who went to retail access – they made that decision after they did extensive research into it, including having me go out and go over the Itron printouts with them.”

The contractor that developed the DMS/Cost Analyst website was able to provide tabulated counts of user and log-in activity for the tool. The illustration below shows the level of users and activity that increased as the Rider M tariff was implemented. As shown, activity increased throughout the first half of 2006 as informational events and the above-mentioned support was provided to customers.

Figure 1: O&R DMS Website Activity



The level of activity here generally corresponds to the interview information given by the Account Engineers. As shown, there was a steady increase in both usage and unique users of the website after the 2/28 and 3/01 live seminars. Some increases in April and May were reported by the DMS contractor as attributable to log-in tests. After this rise in activity, usage and unique users dropped off. This correlates to the stories given by Account Engineers of the diminished interest shown by some customers after they had been initially notified.

5. Customer Survey

A customer survey was conducted among eligible customers by the NY PSC in October 2006 to gather feedback about their experiences and knowledge surrounding RTP. A total of 23 complete responses were gathered by the NY PSC, which were then tabulated and forwarded to O&R, who in turn forwarded these results to RLW for this analysis.

5.1 Response Demographics

Table 5 below shows the breakdown of respondents who are full service O&R customer versus those whom are served through an ESCO.

Table 5: Energy Purchases

Q1. While Orange and Rockland distributes your electricity, from whom do you purchase the electric supply?				
MHP		ESCO		Total
Total	%	Total	%	
12	52%	11	48%	23

The majority of respondents described themselves as commercial office buildings, with “retail” and “education” also among the multiple responses:

Table 6: Self-Descriptions

Q2. What description best reflects your organization?					
	MHP		ESCO		Total
	Total	%	Total	%	
Manufacturing	5	22%	6	26%	11
Retail	2	9%	1	4%	3
Education	2	9%	0	0%	2
Hospital, Nursing Home or other Health Care	1	4%	0	0%	1
Commercial Office Building	0	0%	1	4%	1
<i>Other (please explain)</i>					
<i>paper coating R&D</i>	1	4%			1
<i>“In the process of closing”</i>	1	4%			1
<i>utility</i>			1	4%	1
<i>non-profit publisher</i>			1	4%	1
No response	0	0%	1	4%	1
Total	12	52%	11	48%	23

For the evaluation, O&R had provided a listing of MHP and ESCO customers as of December 11, 2006. Table 7 below represents the breakdown of those customer types from that listing:

Table 7: Make Up of MHP and ESCO Customers

Type	MHP		ESCO	
	Count	%	Count	%
Manufacturer	12	31%	10	28%
Retail	5	13%	4	11%
Health care/hospital	4	10%	4	11%
Government	4	10%	2	6%
Construction materials	0	0%	4	11%
Communications firm	4	10%	0	0%
Education	3	8%	1	3%
Commercial	1	3%	3	8%
Warehouse/food distributor	2	5%	1	3%
Pharmaceutical	1	3%	1	3%
Water utility	0	0%	2	6%
Real estate management	0	0%	2	6%
Publisher	0	0%	2	6%
Research labs	1	3%	0	0%
Recycling firm	1	3%	0	0%
Extraction company	1	3%	0	0%
Construction firm	0	0%	1	3%
Total	39	100%	36	100%

As shown, there is a general similarity of customer types between the survey respondents and this distribution of MHP and ESCO customers (as of December 2006), although hospitals and government buildings that were MHP customers at that time are underrepresented in the survey.

5.2 Customer Choices

Of those MHP customers who responded, nearly all of them stated that they have talked with an ESCO about alternative pricing (below):

Table 8: Discussion of Alternative Electricity Pricing

Q1a. Have you discussed alternative electricity pricing arrangements with one or more Energy Service Companies (ESCOs)?					
	MHP		ESCO		Total
	Total	% MHP	Total	% ESCO	
Yes	10	83%	0	0%	10
No	2	17%	0	0%	2
No response	0	0%	11	100%	11

Total	12	100%	11	100%	23
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Most of the ESCO customers claimed they had made their choice independent of or before the change to MHP (below):

Table 9: Motivation to Switch to ESCO Service

Q1b. Did you switch to an alternative electricity supplier because of the change in Orange and Rockland's electricity supply billing to hourly pricing?					
	MHP		ESCO		Total
	<i>Total</i>	<i>%</i>	<i>Total</i>	<i>%</i>	
Yes	0	0%	3	27%	3
No	0	0%	8	73%	8
No response	12	100%	0	0%	12
Total	12	100%	11	100%	23

Of those who do use an alternative supplier, roughly half said they have contractual arrangement with ESCO's with fixed pricing (below). Of the other three who cited "Other", two did not describe anything further, and one cited "fixed, block purchase, [and] index pricing".

Table 10: ESCO Contractual Arrangements

Q1c. How does your ESCO or alternative supplier charge for electricity supply?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Fixed price	0	0%	5	45%	5
Other, please explain	0	0%	3	27%	3
Blend of fixed and hourly prices	0	0%	2	18%	2
Hourly prices	0	0%	1	9%	1
No response	12	52%	0	0%	23
Total	12	52%	11	100%	23

5.3 Operating Conditions

Per Table 11 (next page below) about 40% of the MHP customers (5 of 12) cite their energy costs as a ratio of their annual operating costs between 6% to greater than 20%. A higher ratio of ESCO customers (63%, or 7 of 11) responded within the same range. These results may imply that those with a high ratio of energy costs to operating costs have been inclined to switch to ESCO service.

Table 11: Annual Operating Costs

Q3. What percent of total annual operating costs do total electricity costs represent?					
	MHP		ESCO		Total
	<i>Total</i>	<i>%</i>	<i>Total</i>	<i>%</i>	
Less than 1%	1	8%	1	9%	2
1% - 5%	3	25%	2	18%	5
6% - 10%	3	25%	3	27%	6
11% - 20%	1	8%	2	18%	3
Greater than 20%	1	8%	2	18%	3
Do not know	3	25%	0	0%	3
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

5.4 Education and Outreach

Information Sources

The survey next asked respondents to check which organizations had provided information to them, and to rank those organizations. The table below shows the results by the selections offered in the survey:

Table 12: Information Sources and Ranking of Usefulness

Q4. Organizations that provided information, and ranking of usefulness (1 = "Not at all useful", 5 = "Very useful"); DNP = "Did not provide"													
<i>Ranking</i>	O&R		ESCOs		NYISO		NYS PSC		NYSERDA		Industry Assn.		
	MHP	ESCO	MHP	ESCO	MHP	ESCO	MHP	ESCO	MHP	ESCO	MHP	ESCO	
1	2	0	1	1	1	0	1	0	1	0	0	0	
2	0	0	0	0	1	0	1	0	2	0	1	1	
3	4	1	2	0	0	0	0	0	0	0	0	0	
4	4	0	0	3	0	0	0	0	0	0	0	1	
5	1	1	0	1	0	0	0	0	0	0	0	1	
DNP	1	8	9	5	10	10	10	10	9	10	11	7	
No response	0	1	0	1	0	1	0	1	0	1	0	1	
Total	12	11	12	11	12	11	12	11	12	11	12	11	
Weighted avg.	3.2	4.0	2.3	3.6	1.5	--	1.5	--	1.7	--	2.0	3.7	

All MHP customers who responded gave ratings for O&R, and mostly cited that they did not solicit information from other sources. These MHP customers gave O&R a weighted average score of 3.2. ESCO customers gave O&R a favorable weighted average of 4.0, which overall

compares positively to ESCOs (3.6 weighted average) and industry associations (3.7). As shown, no ESCO respondent said they used information from the NYISO, NY PSC, or NYSERDA. One respondent who cited "Other" as a source of information specified a lighting design consulting firm.

A total of 9 survey respondents (39%) said they attended one of the two workshops. Nearly all of the MHP respondents (84%) cited that they either attended the hourly pricing workshops or were aware of them (below), while about two-thirds of ESCO customers said they were not aware of them.⁹

Table 13: Attendance and Awareness of Pricing Workshops

Q6. Attend an hourly electricity pricing workshop sponsored by O&R on Feb. 28 or Mar 1, 2006? 1 = YES, 2 = NO, BUT aware, 3 = NO, NOT aware					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Yes	8	67%	1	9%	9
No, but aware	2	17%	2	18%	4
No, not aware	2	17%	7	64%	9
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

A cross-tabulated examination of the eight MHP customers who cited "Yes" towards attending yielded some useful results:

- The majority (five) are manufacturing firms, and the remainder are one each from the education, retail, and health care industries;
- Six of these eight customers said they had examined alternative energy choices from one or more ESCOs; and
- Five said they contacted O&R for additional information, and ranked the usefulness of that information as an average of 3.4.

The distribution of rankings for "level of usefulness" was spread out for all who attended the live information exchange (Table 14, next page below):

⁹ Notifications given to customers for this event primarily refer to it either a "seminar" or "information exchange". It is assumed that respondents understood the survey query of a "workshop" refers to one of the two live information exchanges.

Table 14: Workshop Attendees – Ranking of Usefulness

Q6a. How helpful was the workshop in providing useful information (1= Not useful, 5 = very useful)					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
1	2	17%	0	0%	2
2	0	0%	0	0%	0
3	1	8%	0	0%	1
4	5	42%	0	0%	5
5	0	0%	1	9%	1
No response	4	33%	10	91%	14
Total	12	100%	11	100%	23

The overall weighted average ranking from MHP customers who attended was 2.1, along with the sole ESCO customer who ranked the event as a "5".

Six of the twenty-three respondents said they requested additional information from O&R. Nearly half of the MHP customers (42%) affirmed that they had requested information. All six respondents who made an information request said they had received a follow up response from an O&R Account Engineer.

Table 15: O&R Account Manager Information Requests

Q6b. Request that an O&R account manager provide additional info on hourly electricity pricing?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Yes	5	42%	1	9%	6
No	3	25%	0	0%	3
No response	4	33%	10	91%	14
Total	12	100%	11	100%	23

Depth of Information

The survey next asked a series of questions about the depth of understanding the respondents had on a series of items relating to hourly pricing. A summary of the weighted averages is shown on Table 16 (next page below).

Table 16: Level of Customer Understanding to Energy Issues and Resources

Q7 - Ranking of understanding (1 = lowest, 5 = highest) – Weighted averages			
Items ^a	MHP ^b	ESCO ^c	Overall
Energy purchasing from an ESCO	3.4	4.1	3.7
Energy efficiency opportunities	3.8	3.3	3.6
How monthly electric bill is calculated	3.0	3.6	3.3
Wholesale energy pricing	3.2	3.3	3.2
NYSERDA incentives for energy efficiency or demand response	3.0	3.0	3.0
Purchasing financial hedges to offset risk	2.9	2.9	2.9
NYSERDA technical assistance services	2.9	2.6	2.8
NYSERDA programs for distributed generation	2.7	2.5	2.6
NYISO demand response programs	2.2	2.4	2.3
Use of load management software	2.2	2.0	2.1

^a Items are sorted here by overall scoring rather than by the order given in the survey

^b Response counts ranged from 9 to 11 responses, out of a possible 12; remainder are no responses

^c Response counts ranged from 8 to 10 responses, out of a possible 11; remainder are no responses

Most of the weighted averages show fairly high rankings for understanding on energy purchasing from ESCOs and energy efficiency opportunities; a middle ground ranking that ranges around a “3” for a bulk of the knowledge areas; and fairly low rankings for NYISO demand response programs and use of load management software. Understanding of energy purchasing and energy efficiency opportunities garnered the highest averages. The more technical knowledge that customers ranked – “use of load management software” and “purchasing financial hedges” – earned the lowest averages. There are no significant differences in averages between MHP and ESCO customers, except for “energy purchasing from an ESCO” and “how monthly bills are calculated”, both which could have been expected to be higher for ESCO customers. There is also a slightly higher difference (3.8 versus 3.3) of MHP customers to ESCO customers on knowledge of energy efficiency, which may suggest a more focused intent by these respondents to reduce usage rather than shift load.

It can be useful to compare the responses for these questions for those who said they attended one of the two seminars versus those that did not. Table 17 (next page below) shows the averages of answers from all those who said they attended (9) versus those who said they did not (13). As shown, the net differences are generally minor. The light blue (or shaded) rows correlate specifically to the seminar subjects that were presented at the workshop.

Table 17: Self-Reported Levels of Understanding – Average Scores

Q7 - Ranking of understanding (1 = lowest, 5 = highest) – Weighted averages	Attended workshop ^a	Did not attend workshop ^b	Difference
7a. How wholesale energy prices are set	2.9	3.5	-0.6
7b. How monthly electricity commodity bill is calculated	2.9	3.5	-0.6
7c. Using load management software	1.9	2.3	-0.4
7d. Securing electricity from a supplier other than utility (e.g. ESCOs)	3.4	4.0	-0.6
7e. Purchasing financial hedges to offset electricity price risk	2.9	2.9	0
7f. Understanding EE opportunities	3.6	3.5	0.1
7g. NYISO demand response programs	2	2.5	-0.5
7h. NYSERDA Tech Assistance Services (e.g., audits or load analysis)	3	2.6	0.4
7i. NYSERDA incentives for energy efficiency/demand response measures	3.1	2.9	0.2
7j. NYSERDA installing on-site or distributed generation	3.0	2.3	0.7

^a Response counts ranged from 7 to 9 answers, out of a possible 9

^b Response counts ranged from 9 to 13 answers, out of a possible 13

A further cross tabulation of “attended” versus “did not attend” for only MHP customers show an even more pronounced differences between self-reported knowledge of these items (below):

Table 18: Self-Reported Levels of Understanding – MHP Average Scores

Q7 - Ranking of understanding (1 = lowest, 5 = highest) – Weighted averages (MHP respondents)	Attended workshop ^a	Did not attend workshop ^b	Difference
7a. How wholesale energy prices are set	2.7	4.0	-1.3
7b. How monthly electricity commodity bill is calculated	2.6	3.3	-0.7
7c. Using load management software	1.8	3.0	-1.2
7d. Securing electricity from a supplier other than utility (e.g. ESCOs)	2.8	4.0	-1.2
7e. Purchasing financial hedges to offset electricity price risk	2.7	3.3	-0.6
7f. Understanding EE opportunities	3.2	4.7	-1.5
7g. NYISO demand response programs	2.0	2.7	-0.7
7h. NYSERDA Tech Assistance Services (e.g., audits or load analysis)	2.7	3.0	-0.3
7i. NYSERDA Incentives for energy efficiency/demand response measures	2.7	3.0	-0.3
7j. NYSERDA Installing on-site or distributed generation	2.5	2.3	0.2

^a Response counts ranged from 6 to 8 answers, out of a possible 8

^b Response counts ranged from 3 to 4 answers, out of a possible 4

The results suggest that those MHP survey respondents who have not attended the workshops feel, in aggregate, that they have a reasonable understanding on most of these energy-related topics. These results also might suggest that those MHP customers who *did* attend may have

started off from a condition of not knowing anything about these energy topics; thus, their attendance at the sessions may have been a new exposure to all of these topics.

Hourly Pricing Conditions

Only a small minority of respondents (3 of 23) claims they have the ability to respond to hourly pricing by shifting operations (below):

Table 19: Customer Ability to Shift Operational Loads

Q8. Does your facility have the flexibility to shift operations in response to hourly prices?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Yes	2	17%	1	9%	3
No	10	83%	7	64%	17
Unsure	0	0%	2	18%	2
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

A little over half of the respondents served by ESCOs felt it was helpful to view hourly commodity prices in advance, while the remainder was split between “no” and “unsure” answers (below). A little under half of the MHP customers felt it is helpful as well:

Table 20: Desirability to View Hourly Pricing

Q9. Do you feel it is helpful to be able to view Orange and Rockland's hourly commodity prices a day in advance?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Yes	5	42%	7	64%	12
No	7	58%	2	18%	9
Unsure	0	0%	1	9%	1
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

About half of the respondents – both MHP and ESCO customers – felt they needed more information to develop an hourly pricing strategy (Table 21, next page below):

Table 21: Perception of Necessary Information for Hourly Pricing Strategy

Q10. Do you feel you have the necessary information to develop a strategy for responding to hourly pricing?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Yes	3	25%	3	27%	6
No	5	42%	6	55%	11
Unsure	4	33%	1	9%	5
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

One-half of the MHP customer respondents (6 of 12) felt hourly pricing negatively affects their business, versus only one ESCO respondent who felt that way. About a third of each group felt it really didn't matter (below):

Table 22: Perception of Hourly Pricing Impact

Q11. How do you think hourly pricing has affected or will affect your business?					
	MHP		ESCO		Total
	<i>Total</i>	<i>% MHP</i>	<i>Total</i>	<i>% ESCO</i>	
Positively	1	8%	1	9%	2
Not very much at all	4	33%	4	36%	8
Negatively	6	50%	1	9%	7
Unsure	1	8%	4	36%	5
No response	0	0%	1	9%	1
Total	12	100%	11	100%	23

There were a significant amount of open-ended comments for Q11. Table 23 (next page below) correlates the close-ended responses from Q11 (above) with the open-ended comments that were provided (MHP customer answers shown in the shaded rows):

Table 23: Open Responses – Q11

Q1. How purchase electric supply	Q11. Hourly pricing impact	Q11a. Please explain your answer to the previous question. [NOTE: Responses shown as verbatim; not all Q11 responses were followed by a comment]
<i>MHP (M) or ESCO (E)</i>		<i>Open-Ended Response</i>
E	Positively	It allows my 24x7 operation to realize savings during off-peak hours
M	Not very much at all	We are not eligible for hourly pricing.
M		Our energy systems are managed from the corporate office in Wisconsin. They do not seem interested in purchasing power by the hour.
E		24/7 continuous load operation
E		Can not really know without having access to hourly pricing info.
M	Negatively	Takes too much time to manage.
M		Not enough return for us to shift operations, more than we have. However, the big numbers do instill somewhat of a culture of energy awareness and conservation.
M		We have seen an increase in our monthly billing since this went into effect
M		More difficult to evaluate
M		This is the stupidest program ever. You should all lose your jobs for recommending it. The one thing any business wants is price assurance, this program does not provide it. The program is a pathetic joke!
E		Costs soaring - effecting [sic] ability to be competing in NYS
M	Unsure	Hourly pricing gives us the opportunity to achieve lower electric costs over the long term, but it creates significant budget uncertainty and price volatility.
E		Not using hourly pricing - have no data to compare

A majority of the MHP customer comments corresponded to the “negatively” or “unsure” responses. One ESCO customer had a positive comment that hourly pricing saves them money, while another ESCO customer had a negative comment that he/she felt costs are “soaring”. One MHP customer who felt “not very much at all” affected believed he/she could not secure hourly pricing, while another identified their organization’s split between local operations versus remote management decisions (which reflect similar observations revealed in the interviews). In the “negatively” column, several MHP customers commented on their perceptions that they did not have the resources or ability to manage load; one felt costs were rising, and another had a particularly harsh reaction.

Respondents were next asked to identify barriers, real or anticipated, in responding to hourly pricing (Table 24, next page below). This shows that a significant amount of survey respondents identified one or more barriers towards responding to hourly electricity prices. The highest responses were for “insufficient resources”, “inflexible labor schedule”, and “cost of

responding outweighs savings”. These represent nearly 50% (27 of 54) of all responses received. MHP customers generally reflected the same ratio of answers as ESCO customers.

Table 24: Perceived Barriers in Responding to Hourly Pricing

Q12. What barriers has your facility experienced in responding to hourly electricity supply prices? (If your organization does not currently face hourly prices, please indicate which barriers you feel your facility would face.) [MORE THAN ONE RESPONSE ALLOWED]					
	MHP		ESCO		Total
	Total	% MHP	Total	% ESCO	
Insufficient resources to pay attention to hourly prices	6	29%	7	50%	13
Inflexible labor schedule	3	14%	5	36%	8
The cost of responding outweighs the savings	5	24%	1	7%	6
Managing electricity use is not a priority in my organization	1	5%	0	0%	1
Negative previous experience with day-ahead hourly pricing	1	5%	0	0%	1
Other:					
<i>Operations</i>	--	--	1	7%	1
<i>Power managed by corporate office</i>	1	5%	--	--	1
<i>Lack of access to load data real time; but also limited amount of load that can be altered/reduced</i>	1	5%	--	--	1
<i>(no further response)</i>	2	10%	--	--	2
TOTAL	20	95%	14	100%	34
No barriers have been encountered	1	5%	0	0%	1
TOTAL	21	100%	14	100%	35

Finally, respondents were asked about past and future actions relating to energy use and hourly pricing. Table 25 (next page below) shows the breakdown of responses. As depicted, the largest percentage answers for past activities from MHP customers were “None” and “Improve energy efficiency”; the highest percentage of ESCO customers cited “Energy audit” (below). “Participation in NYSERDA programs” and “Switch to an electrical supplier” also had multiple responses as future planned actions from both MHP and ESCO customers.

Table 25: Past and Future Energy-Related Actions

Q13. In your response to O&R hourly electricity pricing program, what actions have you already taken during the past 12 months, or anticipate taking during the next 12 months? [MORE THAN ONE RESPONSE ALLOWED; SORTED IN THIS TABLE BY MHP RESPONSES]					
	MHP		ESCO		TOTAL
	Total	% MHP	Total	% ESCO	
PAST Reported activities					
ENERGY AUDIT - Past 12 months	2	17%	4	36%	6
None - Past 12 months	3	25%	3	27%	6
Improve EE - Past 12 months	3	25%	2	18%	5
Participate in NYSERDA program(s) - Past 12 months	1	8%	2	18%	3
Switch to electricity supplier other than local utility - Past 12 months	0	0%	3	27%	3
Purchase financial hedges - Past 12 months	0	0%	2	18%	2
Use load management software - Past 12 months	2	17%	0	0%	2
Shift electricity demand - Past 12 months	1	8%	0	0%	1
Participate in NYISO load mgt programs - Past 12 months	0	0%	0	0%	0
Install on-site or distributed generation - Past 12 months	0	0%	0	0%	0
FUTURE planned activities					
Switch to electricity supplier other than local utility - Next 12 months	4	33%	3	27%	7
Participate in NYSERDA program(s) - Next 12 months	2	17%	4	36%	6
None - Next 12 months	3	25%	2	18%	5
ENERGY AUDIT - Next 12 months	2	17%	2	18%	4
Improve EE - Next 12 months	0	0%	3	27%	3
Install on-site or distributed generation - Next 12 months	2	17%	1	9%	3
Purchase financial hedges - Next 12 months	1	8%	1	9%	2
Use load management software - Next 12 months	2	17%	0	0%	2

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Participate in NYISO load mgt programs - Next 12 months	1	8%	1	9%	2
Shift electricity demand - Next 12 months	1	8%	0	0%	1

6. Analysis

This section describes the summary analysis of results found from the process interviews, documentation review, and the NY PSC survey.

6.1 Effectiveness of O&R's implementation efforts of the MHP program among the remaining non-ESCO customers

Based on its investigation, RLW determined the following:

1. *Customers were given sufficient notice to be aware of the pending MHP tariff and of the resources available to them to make energy buying choices.* Based upon the interview results and supporting documentation, RLW has concluded that all affected customers were given reasonable means to be aware of the pending MHP tariff. Internal O&R staff was thoroughly trained about RTP and the pending MHP tariff before customers were notified. Multiple letters were sent to every affected customer, and each Account Engineer further pursued a strategy of communicating the same information to every Large TOU customer affected. Account Engineers visited each customer who either asked for follow up support or accepted their invitation for an informational visit.
2. *Some MHP customers appear to be satisfied with what they know about topics relating to energy use and RTP, while others appear to be just learning.* As shown in the survey results, those MHP customers who *did not* attend the live information exchanges have a higher weighted average of self-ranked understanding about nearly every energy topic than those who had, in fact, attended. This suggests that those who attended may be just learning about energy issues, and therefore may have been looking for additional support or information; those who did not attend may have a reasonable grasp about most energy topics.

As recounted in the Account Engineer interviews, a large number of customers were satisfied with their understanding regarding the MHP tariff, and did not want much more informational support. Others expressed a concern that they do not have the resources to manage energy costs. A number of Large TOU customers who felt they could do something about the MHP tariff implementation moved to retail choice, and a small minority took active steps to examine RTP and plan for it.

The graph of the DMS website activity (Figure 1, page 21) shows increasing levels of activity that followed the live seminars, and culminated in a significant amount of activity in May 2006 when the MHP tariff was implemented. After that, activity dropped precipitously. By December 2006, activity dropped to a level even lower than had occurred 12 months before.

6.2 Customer transition issues and effectiveness of O&R assistance towards customers during program transition

1. *O&R management and Account Engineers made dedicated efforts to ensure that each affected customer had an opportunity to learn about MHP and make the appropriate choice for their business.* Based upon the interview results and supporting documentation, RLW has concluded that all customers were given reasonable means to be aware of the pending MHP tariff. Offers of additional support by Account Engineers were made to every affected customer, and some customers took up the offer. A small group of customers who took an active interest and made use of the resources available to them either moved to ESCO service, or stayed with O&R through the MHP program and adapted to the new tariff.
2. *The educational seminars appeared necessary to help start the learning process for some customers.* Six of the eight who attended said they have examined alternative energy choices, and five said they had contacted O&R for additional information. Two attendees identified themselves as retail and health care facilities, which several Account Engineers said have been limited in the ability to shift loads.
3. *The DMS/Cost Analyst tool provides a reasonable means for customers to view their hourly interval metered data and forecast hourly costs.* This tool was used by customers and by Account Engineers on behalf of particular customers. Account Engineers relayed in their interviews that they demonstrated the tool or brought printouts to those customers who had asked for additional support. As discussed earlier, there were some calculation issues that had to be addressed in the Cost Analyst element of the DMS tool, and these were subsequently addressed.
4. *Some customers said they cannot shift load nor have resources to manage loads.* The survey results show that a number of customers cite barriers in the ability to shift loads or respond to price signals. The highest responses for the question on customer barriers were “insufficient resources”, “inflexible labor schedule”, and “cost of responding outweighs savings”. These customers will likely continue to seek new technologies, services, or purchasing strategies that may arise from the open marketplace (i.e., ESCOs or consultants) and as supported through NYSERDA services.

6.3 Recommendations

O&R has implemented each of the items specified in its submitted marketing and outreach plan. Barriers in split information channels for customers, customer lack of concern, insufficient internal customer resources, and perceived lack of savings from ESCO service by some customers were found to be challenges that O&R had addressed through a concurrent set of outreach and educational efforts.

The evaluation itself is highly dependent on customer feedback to best understand how well these efforts are working. The NY PSC-administered survey provided general useful information on the status of customer perceptions, levels of knowledge, and behavior. A customer survey or interview task that allows for probing and clarification beyond close-ended answers further allows the evaluator - and ultimately the sponsor - to best assess this customer feedback.

In this light, there are three lessons learned that should be considered in any future outreach and education efforts, as well as with the two year evaluation itself:

- A. Consider offering another live information exchange;
- B. Continue to be available for customer support; and
- C. Enhance the customer research element of the evaluation.

A. Plan for another live seminar in the future. Another live seminar could be useful as a follow up to the two previous ones held in 2006. It would be anticipated that this new seminar can provide market updates on RTP; present tools and resources available for managing RTP and demand load management, both from the open marketplace as well as from NYSERDA and the utility; and provide live testimonials from those customers who have successfully switched to alternative sources. If offered, this kind of session could be structured to provide new, updated information for those who are already informed and engaged, as well as provide information for those customers who have new employees or for those who are still learning about energy pricing.

B. Continue to be available for customer support. The individualized approaches that the Account Engineers provided seemed to work well. Since O&R Account Engineers specifically target at least two customer visits a month (with three or four visits usually accomplished each month), each customer has the means to utilize the resources made available by O&R. For those customers who have expressed no desire to learn or do more, the fact that these customers still understand that this support is still available means that they can readily change their mind or modify their operations.

C. The customer research portion of the evaluation should be modified. The separation of the design, management, and quality control of the survey versus the other part of the evaluation tasks posed some challenges not typically encountered in a process evaluation. These limitations relate to sampling, quality control, and the usefulness and quality of customer responses.

Specifically, these are the conditions in the current survey and our recommendations for the two year evaluation if it would include a customer survey:

Table 26: Customer Research Recommendations

Current Condition	Recommendation
No ability to follow up as routine quality control checks on questionable answers	The survey contractor should be able to follow up with survey respondents to clarify or ascertain a clearly erroneous entry.
Uncertainty about skip patterns followed or if web survey made entries mandatory in order to continue	The survey methodology should be clarified as part of evaluation kickoff.
Uncertainty on how entries are submitted and represented, i.e. does the survey reflect 23 unique perspectives and opinions, or, a lower number of unique organizations and building owners that have multiple accounts	<p>The evaluation team should ascertain how the utility and NY PSC want to see responses represented:</p> <ul style="list-style-type: none"> a) each survey submission is given equal weight (as done for this survey) b) counts are made only per each unique submission (ex. a developer with 11 accounts is given one survey as would be an owner of just one building) c) a hybrid that gives relative weight to multiple accounts in specific questions, but recognizes such things as “level of awareness” or “level of understanding” as coming from just one person who may represent multiple accounts
No opportunity to probe beyond initial close-ended responses	In-depth interviews used in a smaller sampling that allows the evaluator to probe for deeper and more quantitative answers. In-depth interview answers can also be used to better interpret the larger survey results.
No survey ID numbers	Each response should be given a unique ID code for proper survey data management.

There should also be an opportunity to conduct in-depth interviews with at least a smaller sampling of customers. There are a number of questions in this current survey that would have been useful to explore to obtain a better understanding behind the simple, close-ended responses. For example, it would be useful to follow through on the questions regarding the live information exchanges to ask specific questions on what these customers specifically learned and used, and what information or support they were still looking for afterwards. Another useful in-depth question would have been to ascertain if a customer has used the DMS/Cost Analyst tool, and if so, to ask for their thoughts and perceptions about it.

7. Conclusions

The customer survey and interview results show that, at the least, all customers affected by the implementation of the tariff had an opportunity to learn more about it and consider changes in their operations or choose ESCO service. Those that chose additional information and support were able to receive those services. The survey results show there are differences in perceived knowledge among customers – some express reasonable levels of knowledge, while others feel that they need to know more.

A continued challenge for the utility and the NY PSC will be addressing the needs of those customers who have limited ability and resources to economically manage RTP and energy loads. For these customers, emphasis will need to continue on strategies for energy efficiency, permanent demand load reduction, and technical services available from NYSERDA.

8. Appendix A: NY PSC Customer Survey

*New York State Public Service Commission
Department of Public Service*

HOURLY ELECTRIC COMMODITY PRICING SURVEY

Your Profile:

1. While Consolidated Edison distributes your electricity, from whom do you purchase the electric supply?

- Consolidated Edison *[Go to question 1a]*
 - An Energy Services Company (ESCO) *[Go to question 1b]*
 - Another organization (Please explain) *[Go to question 1b]*
-

1a. Have you discussed alternative electricity pricing arrangements with one or more Energy Service Companies (ESCOs)?

- Yes
- No

[Go to question 2]

1b. Did you switch to an alternative electricity supplier because of the change in Consolidated Edison's electricity supply billing to hourly pricing?

- Yes
- No

1c. How does your ESCO or alternative supplier charge for electricity supply?
(check one)

- Fixed price
 - Hourly prices
 - Blend of fixed and hourly prices
 - Other, please explain
-
-

2. **What description best reflects your organization? Please check one.**

- Manufacturing
- Commercial Office Building
- Hospital, Nursing Home or other Health Care
- Government
- Education
- Retail
- Multi-Family
- Other, please explain _____

3. **What percent of total annual operating costs do total electricity costs represent? (Check only one)**

- Less than 1%
- 1% - 5%
- 6% - 10%
- 11% - 20%
- Greater than 20%
- Do not know

Education and Outreach:

4. **We would like to know what organizations, over the past 12 months, provided you or another member of your organization with information about hourly electricity pricing and the usefulness of the information. For each organization listed, please rate the usefulness of the information on a 1-5 scale with 1 being "Not at all useful" and 5 being "Very useful" or check "Did not provide information" if no information was provided by the organization.**

	Did not provide information	Not at all useful 1	2	3	4	Very useful 5
Consolidated Edison	<input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy Service Companies (ESCOs)	<input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New York Independent System Operator (NYISO)	<input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NYS Department of Public Service (Public Service Commission staff)	<input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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New York State Energy Research and Development Authority (NYSERDA)

Industry association

5. If you received information on hourly pricing from any source, other than those listed in question 4 above, please indicate the source and type of information you received.

6. Did you attend an hourly electricity pricing workshop sponsored by Consolidated Edison on January 31st or April 4th of this year?

- Yes, I attended
- No, but I was aware of the workshop **[Go to question 7]**
- No, I was not aware of the workshop **[Go to question 7]**

6a. How helpful did you find the workshop in providing useful information regarding hourly electricity commodity billing?

Not at all useful					Very useful
1	2	3	4	5	
<input type="checkbox"/>					

6b. Did you request that a Consolidated Edison account manager provide additional information on hourly electricity pricing?

- Yes **[Go to question 6c]**
- No **[Go to question 7]**

6c. Did your Consolidated Edison account manager follow-up with you to provide more customized information on hourly electricity pricing?

- Yes
- No
- Unsure

7. The purpose of this question is to help us better design future Outreach and Education sessions regarding hourly pricing.

Please tell us your level of understanding in the following areas and point out the areas where additional information would be helpful in assisting you and your organization in making decisions regarding the purchase of electricity supply.

Indicate your level of understanding using a 1-5 scale with 1 representing the lowest level of understanding and 5 the highest level of understanding, and check the appropriate boxes if you think additional information in that particular area would be helpful.

	Lowest level of understanding					Highest level of understanding
	1	2	3	4	5	More information would be helpful
How wholesale energy prices are set	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
How your monthly electricity commodity bill is calculated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
Using load management software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
Securing electricity from a supplier other than your utility (e.g., ESCOs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
Purchasing financial hedges to offset electricity price risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
Understanding energy efficiency opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
NYISO Demand Response programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
NYSERDA Technical Assistance Services (e.g., audits or load analysis)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
NYSERDA incentives for energy efficiency/ demand response measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>

NYSERDA programs
for installing on-site
or distributed generation

Your View:

8. **Does your facility have the flexibility to shift operations in response to hourly prices?**

- Yes
- No
- Unsure

9. **Do you feel it is helpful to be able to view Consolidated Edison's hourly commodity prices a day in advance?**

- Yes
- No
- Unsure

10. **Do you feel you have the necessary information to develop a strategy for responding to hourly pricing?**

- Yes
- No
- Unsure

11. **How do you think hourly pricing has affected or will affect your business?**

- Positively
- Not very much at all
- Negatively
- Unsure

11a. **Please explain your response to the previous question.**

Your Actions:

12. **What barriers has your facility experienced in responding to hourly electricity supply prices? (If your organization does not currently face hourly prices, please indicate which barriers you feel your facility would face.) Please check all that apply.**

- Insufficient resources to pay attention to hourly prices
- Inflexible labor schedule
- Managing electricity use is not a priority in my organization
- The cost of responding outweighs the savings
- Negative previous experience with day-ahead hourly pricing
- Other (please specify): _____
- No barriers have been encountered

13. **In your response to Consolidated Edison's hourly electricity pricing program, what actions have you already taken during the past 12 months, or anticipate taking during the next 12 months? Please check all that apply:**

	<u>past 12</u>	<u>next 12</u>
Energy audit	<input type="checkbox"/>	<input type="checkbox"/>
Improve energy efficiency	<input type="checkbox"/>	<input type="checkbox"/>
Shift electricity demand	<input type="checkbox"/>	<input type="checkbox"/>
Purchase financial hedges	<input type="checkbox"/>	<input type="checkbox"/>
Use load management software	<input type="checkbox"/>	<input type="checkbox"/>
Participate in NYSERDA program(s)	<input type="checkbox"/>	<input type="checkbox"/>
Participate in NYISO load management programs	<input type="checkbox"/>	<input type="checkbox"/>
Switch to an electricity supplier other than your local utility	<input type="checkbox"/>	<input type="checkbox"/>
Install on-site or distributed generation	<input type="checkbox"/>	<input type="checkbox"/>
None	<input type="checkbox"/>	<input type="checkbox"/>

Additional Comments:

14. Do you have any additional comments you would like to share with us about your experience with hourly pricing?

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Optional:

We plan to send a follow-up reminder to those who do not complete this survey. We would appreciate you giving us your name and your organization's name so that we can avoid sending you this reminder. Your responses to the survey will remain anonymous and the individual information will be kept confidential.

Name

–

Organization

–

Thank You for completing this survey!

Please return by November 22, 2006 in the enclosed postage paid addressed envelope to:

*Consumer Assistance
NYS Department of Public Service
3 Empire State Plaza - Ste 1401
Albany, NY 12214-0234*

If you have any questions or would like assistance with completing this survey, please contact Bill Saxonis (518-474-5368 or william_saxonis@dps.state.ny.us) at the Department of Public Service.

Would you like additional information?

If you would like additional information on Hourly Pricing or NYSERDA Programs, please check the appropriate boxes below, fill in your contact information and return this form in the enclosed return envelope.

NOTE: This form will be processed separately from the survey and will not be used to track survey responses.

Hourly Pricing:

- I would like more information on hourly pricing sent to me from Consolidated Edison
- I would like to speak with someone from Consolidated Edison to get a more detailed explanation about the Hourly Pricing program.
- Neither

NYSERDA Programs:

- I would like more information sent to me on NYSERDA programs that may assist my organization in evaluating and responding to hourly prices.
- I would like to speak with someone from NYSERDA about programs that may assist my organization in evaluating and responding to hourly prices.
- Neither

Please provide your contact information below so that the above requested information can be provided:

Name/Contact _____

Organization _____

Address _____

Phone No. _____

E-mail address _____

9. Appendix B: Interview Guide

RLW Analytics CECONY MHP Program Evaluation Interview Guide

Verbal introduction to interviewee: Our goal in this interview is to gather information on the role that you have in the development and delivery of the MHP Program. In addition, we are looking to further understand the process of how this program is delivered, any strengths and weaknesses of the program that you see, things that have been learned since its inception, and ways in which the program's delivery methods and procedures could be further modified, if any.

This interview session is an opportunity for you to voice your opinions and your particular experiences with this program. This will also be a chance for you to share ideas about further increasing the program effectiveness and delivery to your customers.

The questions here are neutral, and meant to be open-ended. There are no expectations of any right or wrong answers. Feel free to embellish; details and examples are most welcome.

Because this is an interview guide that goes across various positions, some questions may be less relevant than others, or even unrelated to your position. You are welcome to ask to skip any of those questions.

All answers are strictly confidential. Our notes are not shared with anyone else at CECONY or outside the utility. In our report, anecdotal answers are either paraphrased or cited in a generic way, ex. "several respondents said...", "one respondent noted...", etc.

After we complete the interview, we will later transcribe our notes on a separate sheet and send them back to you to review. This will give you an opportunity to correct or clarify anything we recorded.

I. Background

1. Can you please first briefly describe your current professional position – title and general responsibilities?

2. a) What is your current role and level of involvement with the program?

3. Did you have a role or other involvement in the development of the marketing and sales plan? IF YES > What was that?

2. Program Delivery

4. From what you know, what typically are the primary barriers, concerns, or challenges that major account customers have towards moving into a real time pricing tariff?

5. a. How were customers first notified and informed about the pending MHP tariff?

b. How were follow ups done to ensure the correct contact people understood and recognized the pertinent facts about Rider M, and the choice they could make between that and Retail Access?

c. What are the steps taken or indications checked to ensure a customer is fully informed, satisfied, and comfortable with the level of information and support given by CECONY for this or any other new initiative?

6. For the 140 customers who transitioned into the MHP:
 - a) How often are they normally visited or contacted by their respective CECONY account representative?

- b) What resources of time were planned up and beyond this normal level in order to properly communicate the changes concerning MHP?
7. What were the initial reactions or concerns from customers when they were first notified? How did you or CECONY address those concerns?
8. a. What specific goals were established for each of the elements detailed in the Marketing, Outreach, and Education Plan? How much are these elements, once implemented, are recorded and compared to the goals?
- mailings
 - access and use of DMS
 - seminars
 - direct contact
- b. Specifically for the partnership strategy: what trade associations and industry organizations were reached? Were these relationships all previously established? What specifically was conducted with each of these entities?
9. What were the typical successes you achieved in the transition to Rider M? Are there specific examples? *[These also may be addressed in whole or in part by the e-mails provided for this evaluation]*
10. What were the typical challenges that arose in the transition to Rider M? What are specific examples? *[These may also may be addressed in whole or in part by e-mails provided for the evaluation]*
11. What amount, and what kinds, of customers have used CECONY services to assess choices for staying with Rider M or moving to Retail Access?
12. How well has DMS worked for you and for the customers who have accessed it? What kinds of additional informational support have customers asked for?

13. From what you have seen or learned: what customer have used their own internal resources towards assessing the choices between MHP and Retail Access? What kind of internal resources have these been?

14. Again, from what you have seen or learned: what customers used external services to assess choices (apart from CECONY staff or the DMS)? What kind of external services have been used?

15. Were you involved with the customer presentations for MHP? IF YES > What tangible outcomes did you see come out, especially from those who attended?

16. To ensure we covered all your thoughts, are there any other specific improvements and recommendations you have on marketing, outreach, and education for MHP?

17. There may be other issues you would like to talk about that these questions did not address. If so, what are they, and what would you like to say about them?