

**STATE OF NEW YORK PUBLIC SERVICE COMMISSION**

<b>Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service</b>	<b>Case 22-E-0064</b>
<b>Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service</b>	<b>Case 22-G-0065</b>

**DIRECT TESTIMONY OF DANIEL W. ALLEGRETTI**

**ON BEHALF OF**

**THE RETAIL ENERGY SUPPLY ASSOCIATION**

**MAY 20, 2022**

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

3 A. My name is Daniel W. Allegretti. I am a consultant with Sigma Consultants, Inc.  
4 (“Sigma”). My business address is 25 Toad Hill Road, Franconia, New Hampshire.

5  
6 **Q. ON WHOSE BEHALF ARE YOU OFFERING THIS TESTIMONY?**

7 A. I am testifying on behalf of the Retail Energy Supply Association (“RESA”). RESA is a  
8 non-profit organization and trade association that represents the interests of its members  
9 in regulatory proceedings in the Mid-Atlantic, Great Lakes, New England, and New York  
10 regions. RESA members are active participants in the retail competitive markets for  
11 electricity and natural gas, including the New York markets. Several RESA member  
12 companies are energy service companies (“ESCOs”) eligible to serve customers in New  
13 York and are presently providing service to customers in the Consolidated Edison  
14 Company of New York, Inc. (“ConEd”) service territory.

15  
16 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

17 A. I joined Sigma as a consultant in 2018. In that role, I provide strategic advice and  
18 representation to energy companies and trade associations with regard to government and  
19 regulatory affairs. I also represent clients before regional stakeholder groups, including  
20 the New England Power Pool, and before state legislative, executive, and regulatory  
21 bodies. Before joining Sigma, I was the Vice President, State Government Affairs – East  
22 at Exelon Corporation. My current *curriculum vitae* is provided as Exhibit \_\_ (RESA-1)  
23 to this testimony.

1 **II. SUMMARY OF TESTIMONY**

2 **Q. PROVIDE A BRIEF OVERVIEW OF YOUR TESTIMONY.**

3 A. Timely and accurate access to customer data is *critical* to an ESCO’s ability to serve  
4 customers. Unfortunately, for years, ConEd has experienced significant and wide spread  
5 issues with providing timely and accurate data to ESCOs. The issues with ConEd’s  
6 provision of timely and accurate data affect fundamental aspects of ESCO retail supply  
7 operations and have the potential to cause significant disruptions for ESCOs and their  
8 customers alike. For example, as a consequence of ConEd’s data issues, customers do not  
9 receive accurate information about their usage or timely bills. In fact, at times, because of  
10 these data issues, customers will not receive bills for months at a time and then suddenly  
11 receive a bill that covers multiple months; making it difficult for customers to budget  
12 their energy costs and having a sudden and unexpected negative impact on customer cash  
13 flows. This is especially problematic for low-income customers.

14  
15 These issues are exacerbated by ConEd’s lack of communication. In many cases, ConEd  
16 is not even aware of an issue until an ESCO informs it of the problem. Further, ConEd  
17 frequently fails to respond to ESCO outreach regarding these issues despite multiple  
18 attempts to contact ConEd. Moreover, even when ConEd does respond, it can take  
19 months and even years for ConEd to actually fix the issue.

20  
21 In its Customer Operations Panel Testimony, ConEd describes modifications to existing  
22 information technology (“IT”) programs and new IT programs affecting customer data  
23 for which ConEd is seeking funding in this proceeding. RESA supports funding for

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1 system modifications and repairs that will expeditiously address ConEd’s current  
2 customer data issues. However, consistent with the Public Service Commission’s  
3 (“Commission”) February 11, 2021 Order Implementing an Integrated Energy Data  
4 Resource (“IEDR Order”), ConEd should only be provided with funding for “existing”  
5 customer data system maintenance and repair and the funding that ConEd requested for  
6 new and/or improved systems should be re-allocated to fixing the issues with ConEd’s  
7 existing systems.

8  
9 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

10 A. First, I discuss the data issues that plague the ConEd system and the impact of those  
11 issues on customers, ESCOs and the retail energy market. Next, I discuss ConEd’s  
12 response to those issues to date. Finally, I recommend actions that can be taken to address  
13 those issues and to ensure that ConEd is incentivized to more quickly and completely  
14 address future issues.

15  
16 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

17 A. Yes. I am sponsoring Exhibit \_\_ (RESA-1), which is my current *curriculum vitae*.

18  
19 **III. DATA ISSUES**

20 **Q. PLEASE SUMMARIZE THE DATA ISSUES THAT HAVE BEEN OCCURRING.**

21 A. Over the last several years, RESA members have experienced the following issues:

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- 1           • Usage is missing and ConEd is not estimating usage so no bill is generated. Once
- 2           ConEd finally gets an actual meter read, the customer receives a bill for three to
- 3           four months of usage at once.
- 4           • When ConEd sends data to ESCOs, there are missing usage files. In some cases,
- 5           ESCOs still have not received usage data from as long as two (2) years ago.
- 6           • ConEd is reconciling missing or inaccurate usage with customers outside of the
- 7           Electronic Data Interchange (“EDI”) system.
- 8           • When change orders are submitted, it takes months for ConEd to implement the
- 9           changes.
- 10          • Canceled meter reads/reduced meter volumes fall outside the New York
- 11          Independent System Operator’s (“NYISO”) version 3 (i.e., final bill closeout
- 12          period) settlement window.
- 13          • When customers transition between service providers, at times, ConEd sends the
- 14          data to the wrong load-serving entity (“LSE”) and reports that incorrect data to
- 15          NYISO.
- 16          • There is lack of transparency in Unaccounted for Electricity (“UFE”) values
- 17          reported by ConEd.
- 18          • ESCOs are frequently unable to obtain interval data for extended periods of time.

19

20 **Q. DESCRIBE THE MISSING USAGE ISSUE IN MORE DETAIL.**

21 A. RESA members have experienced several issues. First, for whatever reason, actual

22 customer usage is missing or not provided to the ESCO for numerous months. During

23 this time, ConEd is also not estimating this missing usage. As a result, no bill is generated

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1 for the customer. Once ConEd finally gets an actual meter read, the customer then  
2 receives a bill for three to four months of usage at once. These delayed meter reads are  
3 likely inflating the UFE values reported by Con Ed.

4  
5 In other instances, usage is missing for a single month then usage is provided for several  
6 months thereafter then again a single month of usage is missing followed by several  
7 months in which the usage is provided. However, the ESCOs never receive the missing  
8 usage data from the intervening month(s). In some cases, ESCOs still have not received  
9 missing usage data from two (2) years ago.

10  
11 **Q. HOW DOES THIS MISSING USAGE IMPACT CUSTOMERS, ESCOS AND THE**  
12 **RETAIL ENERGY MARKET?**

13 A. Missing usage makes it impossible for ESCOs to accurately bill their customers for  
14 supply charges and, presumably, for ConEd to bill customers at all. As a consequence,  
15 customers are not receiving accurate pricing signals that could result in changes in their  
16 energy consumption or purchasing behavior. This effect is exacerbated when customers  
17 do not receive bills for months at a time. In that case, customers have no real sense of  
18 what they are paying each month for their energy usage or a meaningful way to budget  
19 their energy costs. Consequently, customers who may have otherwise curtailed their  
20 usage or switched service providers to obtain more favorable terms do not have the  
21 information necessary to make those decisions. Moreover, once those customers are  
22 actually billed for the missing months, they are hit with a staggering energy bill that  
23 negatively impacts their cash flow. This issue is particularly acute for low-income

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1 customers. If these customers cannot afford to pay these substantial and unexpected bills,  
2 they face the potential disconnection of their electric or natural gas service.

3

4 **Q. DESCRIBE THE RECONCILIATIONS CONED IS PERFORMING OUTSIDE OF**  
5 **EDI.**

6 A. In cases where customer usage is missing or inaccurate, at times, when ConEd reconciles  
7 or resolves these issues with the customers, it never sends the 867 meter read files  
8 associated with these reconciliations to the ESCOs. As a result, ESCOs only learn of the  
9 reconciliation (if ever) when the customer calls to request a corresponding reconciliation  
10 of their supply charges.

11

12 **Q. HOW DO THESE RECONCILIATIONS OUTSIDE EDI AFFECT CUSTOMERS,**  
13 **ESCOS AND THE RETAIL ENERGY MARKET?**

14 A. These offline reconciliations create a situation where the customer is still not being  
15 timely and accurately billed for supply charges. In fact, in cases where the customer does  
16 not make the ESCO aware of the reconciliation that ConEd performed, the customer's  
17 previously inaccurate supply charges may never be reconciled. This creates the unfair  
18 situation in which ConEd is made whole by actually receiving payment for prior incorrect  
19 or missing bills but ESCOs are not.

1 **Q. DESCRIBE CONED’S FAILURE TO TIMELY PROCESS CHANGE ORDERS IN**  
2 **MORE DETAIL.**

3 A. When ESCOs submit change orders (e.g., tax rates, summary to meter detail data in 867  
4 file), ConEd does not timely implement those changes. In fact, it can take ConEd months  
5 to make the changes. For instance, at least one RESA member submitted change orders in  
6 mid-December that still have not been implemented. As a result of these delays, even  
7 though ConEd has accepted a change submitted by an ESCO, ConEd occasionally bills  
8 the ESCO customer at incorrect prices and tax rates.

9  
10 **Q. HOW DOES CONED’S FAILURE TO TIMELY PROCESS CHANGE ORDERS**  
11 **IMPACT CUSTOMERS, ESCOS AND THE RETAIL ENERGY MARKET?**

12 A. Once again, this issue causes customers to receive inaccurate bills. As a consequence,  
13 customers are not receiving accurate pricing signals that could result in changes in their  
14 energy consumption or purchasing behavior.

15  
16 **Q. WHAT HAPPENS IF CANCELED METER READS/REDUCED METER**  
17 **VOLUMES FALL OUTSIDE THE NYISO VERSION 3 SETTLEMENT**  
18 **WINDOW?**

19 A. When there are canceled meter reads/reduced meter volumes fall outside NYISO’s  
20 version 3 settlement window, ESCOs purchase more energy, ancillaries, renewable  
21 energy credits and zero-emission credits than are required to serve their customers. The  
22 costs of these excess purchases cannot be collected directly from the customers  
23 associated with the canceled meter reads/reduced meter volumes. Moreover, ConEd does

1 not reimburse ESCOs for these added costs. As a consequence, ESCOs must absorb these  
2 unwarranted costs.

3

4 **Q. WHAT HAPPENS IF CONED FAILS TO PROVIDE EDI DATA TO THE**  
5 **CORRECT LSE?**

6 A. When customers switch LSEs, at times, ConEd sends the EDI data for those customers to  
7 the wrong load-serving LSE (e.g., the previous LSE). ConEd then reports this incorrect  
8 data to the NYISO. As a consequence, the previous LSE is still buying energy and  
9 ancillary services for customers that it is no longer serving. The costs of these excess  
10 purchases cannot be collected from the customers who are still being inaccurately  
11 reported as belonging to the ESCO. Moreover, ConEd does not reimburse ESCOs for  
12 these added costs. As a result, ESCOs must absorb those unnecessary costs.

13

14 **Q. WHY IS TRANSPARENCY IN UFE VALUES IMPORTANT?**

15 A. In 2018, ESCOs challenged the accuracy of ConEd's April, May, and June UFE values,  
16 which were two to three times more than the same timeframe in 2017. As a result, ConEd  
17 admitted to errors in its UFE calculations and stated a new code in its Transmission  
18 Owner Data Reporting System was not accurately aggregating the metering data for all  
19 ESCOs. ConEd was able to fix the calculations for April, May and June and report  
20 corrected data for May and June during the NYISO version 3 (i.e., final bill closeout  
21 period) true-up period. Because the version 3 window had already closed for April 2018,  
22 however, ConEd had to get a tariff waiver from the Federal Energy Regulatory

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1 Commission to open a version 4 window to remedy the April 2018 data. Despite this,  
2 ESCOs are still unable to regularly obtain information about ConEd's UFE values.

3

4 **Q. DO OTHER NEW YORK UTILITIES REGULARLY PROVIDE UFE VALUES?**

5 A. Yes. Currently, ConEd publishes UFE values periodically but not on any set schedule.  
6 Other New York utilities are able to set a UFE Value either before the month begins or  
7 before the year begins; thereby, creating consistency and ease of pricing for ESCO  
8 customers.

9

10 **Q. IS INTERVAL DATA CONSISTENTLY AND TIMELY AVAILABLE FROM**  
11 **CONED?**

12 A. No. ConEd's interval data website will go down every one to two weeks for extended  
13 periods of time (i.e., 24-72+ hours). Even when the interval data is available, there will be  
14 days and weeks that are reported as zero. Moreover, ConEd is not proactive in identifying  
15 that data is incomplete. Instead, ESCOs have to contact ConEd to inform it that data is  
16 missing. However, even after ConEd is contacted about the missing data, it can take  
17 weeks to get the complete information.

18

19 **Q. HOW DOES CONED'S FAILURE TO PROVIDE TIMELY AND ACCURATE**  
20 **INTERVAL DATA IMPACT CUSTOMERS, ESCOS AND THE RETAIL**  
21 **ENERGY MARKET?**

22 A. Interval data offers valuable insight into a customer's energy-usage patterns. This  
23 information can then be used to design product offerings that meet individual customer

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1 needs. For instance, with interval data, ESCOs can offer customers price responsive  
2 demand (“PRD”) products that encourage customer adoption of new solutions to meet  
3 their energy needs, including allowing customers to make demand response and energy  
4 efficiency modifications to better manage their electricity consumption and costs. An  
5 ESCO’s ability to offer PRD products to customers, however, is directly affected by the  
6 ESCO’s ability to have timely and accurate customer data.

7  
8 Although ESCOs may not have access to the information, the utility typically still has the  
9 data available to it. Because the utility has the information that it needs to work with  
10 customers to help them find solutions that meet their individual needs, it gives the utility  
11 an unfair competitive advantage vis-à-vis ESCOs. This also disadvantages customers  
12 because the utility only has limited approved product and service offerings available that  
13 it can offer to customers. Conversely, ESCOs have the ability to design and offer  
14 products and services that meet individual customer needs.

15  
16 **IV. CONED RESPONSE**

17 **Q. HAVE ESCOS MADE CONED AWARE OF THESE PROBLEMS AND THEIR**  
18 **CONCERNS?**

19 **A.** Yes, on multiple occasions. Frequently, ESCOs discover a problem before ConEd even  
20 knows there is an issue. As problems arise, individual ESCOs reach out to ConEd to  
21 make it aware of the particular issue. However, it regularly takes multiple contacts before  
22 ConEd ever responds and still longer before the issue is ultimately resolved. In fact, at  
23 times, ESCOs have needed to escalate the problem in order to get a response. Moreover,

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1 once ConEd responds, it may fix the problem but, often, that fix is only temporary and,  
2 within a short period of time, the problem is recurring or affecting a different customer or  
3 group of customers.

4  
5 RESA has also facilitated meetings between ConEd and its members to discuss persistent  
6 and recurring issues. After these meetings, ConEd will typically resolve the immediate  
7 issues and communications will improve temporarily. However, after a while, the issue(s)  
8 will recur and/or ConEd communications will once again fall off.

9  
10 **Q. HAS CONED TAKEN ANY STEPS TO HELP IDENTIFY PROBLEMS?**

11 A. Yes. ConEd has begun to provide an unbilled report to ESCOs that provides a list of  
12 accounts that ConEd is aware are unbilled or require usage adjustments. ESCOs can  
13 compare this list to their own information to see if ConEd is aware of all accounts that are  
14 missing usage. However, ESCOs likely will not know if accounts for which they have  
15 usage require adjustment. Moreover, while this list helps identify issues with particular  
16 customers, it does not resolve the underlying problem that created those issues.

17  
18 **V. RECOMMENDATIONS**

19 **Q. WHAT ACTIONS DO YOU RECOMMEND THE COMMISSION TAKE TO**  
20 **HELP RESOLVE THE DATA ACCESS ISSUES YOU HAVE IDENTIFIED?**

21 A. Consistent with the Commission's IEDR Order, the Commission should only approve  
22 funding for ConEd to maintain and repair its "existing" customer data systems. Further,

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1 the Commission should re-allocate the funding that ConEd requested for new and/or  
2 improved systems to fixing the issues with those existing systems.

3

4 **Q. SHOULD THE COMMISSION TAKE OTHER STEPS?**

5 A. Yes. In order to ensure that the current problems with ConEd's systems are resolved in a  
6 timely manner and ConEd communicates the status of its efforts to do so, RESA  
7 recommends that, as part of its order in this proceeding, the Commission require that  
8 ConEd:

- 9 • Within thirty (30) days of the Commission's order, hold a meeting with ESCOs to  
10 compile a complete list of the current problems those ESCOs are experiencing;
- 11 • At least ten (10) days prior to that meeting, send notice of the meeting to every  
12 ESCO doing business in the ConEd service territory and file notice of the meeting  
13 in these proceedings;
- 14 • Within thirty (30) days of the meeting, file a summary of the meeting that: (a) lists  
15 the problems identified during the meeting; (b) provides ConEd's proposed  
16 solutions to those problems; and (c) identifies the time frame in which each of the  
17 issues will be resolved; and
- 18 • At the beginning of every quarter, file a status report that identifies the issues that  
19 have been resolved during the previous quarter and the progress made toward  
20 resolving any remaining issues.

1 **Q. DO YOU HAVE ANY FURTHER RECOMMENDATIONS?**

2 A. Yes. In order to incentivize ConEd to resolve future issues in a timely fashion and to keep  
3 the lines of communication about those issues open, RESA also recommends that, as part  
4 of its order in this proceeding, the Commission:

- 5 • Require ConEd to: (a) immediately notify ESCOs of problems with the accuracy  
6 or timely provision of customer data; (b) undertake an immediate root cause  
7 analysis whenever ConEd becomes aware of such a problem; (c) within thirty (30)  
8 days of becoming aware of the problem, file with the Commission a report that  
9 identifies each such issue, the root cause, the proposed solution, and the time  
10 frame in which the issue will be resolved; and (d) hold quarterly meetings with  
11 ESCOs to discuss open issues and the status of any proposed solution(s); and
- 12 • Establish Customer Service Performance Mechanisms (“CSPMs”) for ConEd,  
13 which include negative revenue adjustments (“NRAs”) for failure to issue  
14 accurate bills and for failure to issue bills at all.

15

16 **VI. CONCLUSION**

17 **Q. DO YOU HAVE ANY CLOSING REMARKS?**

18 A. Data provision issues, such as those identified in my testimony, demonstrate the  
19 inadequacy of current utility systems and also the critical need for the utilities to maintain  
20 and repair issues with those systems to avoid negative impacts to customers, ESCOs and  
21 the retail energy market.

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1 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 A. Yes.