

**RG&E Service Standards: 2009
Customer Service**

Billing Accuracy						
Target: >=97.75%						
%		TOTAL		Electric		Gas
< 97.75%	\$	533,332	\$	416,666	\$	116,666
< 97.6%	\$	1,066,666	\$	833,333	\$	233,333
PSC Complaint Rate						
Target: <=2.5						
		TOTAL		Electric		Gas
>2.5 (2006 - 2008)	\$	1,066,666	\$	833,333	\$	233,333
Estimated Meter Reads						
Target: <=10.0%						
%		TOTAL		Electric		Gas
> 10.0%	\$	1,066,666	\$	833,333	\$	233,333
Calls Answered within 30 seconds (Service Level)						
Target: >=77%						
		TOTAL		Electric		Gas
< 77%	\$	1,066,666	\$	833,333	\$	233,333
Appointments Kept						
Target: >=97%						
		TOTAL		Electric		Gas
< 97% but >=95%	\$	533,332	\$	416,666	\$	116,666
< 95%	\$	1,066,666	\$	833,333	\$	233,333
Customer Interaction Service Index ("CISI/R&SB CSI")						
Target: >=7.6						
		TOTAL		Electric		Gas
< 7.6 but >=7.2	\$	533,332	\$	416,666	\$	116,666
< 7.2	\$	1,066,666	\$	833,333	\$	233,333

TOTAL \$ 4,999,998 \$ 1,399,998

NOTES:

Dollar figures are revenue adjustment penalties if performance levels not met

ROCHESTER GAS AND ELECTRIC CORP.

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Billing Accuracy	99.0%	99.1%	99.6%	99.6%	99.7%	99.6%
PSC Complaint rate	0.3	0.6	0.9	1.6	1.6	1.5
Estimated Meter Reads	4.1%	3.2%	0.9%	1.1%	1.1%	1.8%
Calls Answered within 30 seconds	57%	76%	80%	87%	89%	78%
Appointments Kept	99.1%	99.6%	99.7%	99.6%	99.2%	99.4%
Customer Interaction Service Index (measured each quarter)	na	na	7.7	na	na	7.6

RG&E Service Standards: Proposed
Customer Service

Billing Accuracy Target: >=97.75%						
%		TOTAL		Electric		Gas
< 97.75%	\$	266,666	\$	208,333	\$	58,333
< 96.75%	\$	533,334	\$	416,667	\$	116,667
< 95.75%	\$	800,000	\$	625,000	\$	175,000
< 94.75%	\$	1,066,666	\$	833,333	\$	233,333
PSC Complaint Rate Target: <=2.5						
		TOTAL		Electric		Gas
>2.5	\$	266,666	\$	208,333	\$	58,333
>2.7	\$	533,334	\$	416,667	\$	116,667
>2.9	\$	800,000	\$	625,000	\$	175,000
>3.2	\$	1,066,666	\$	833,333	\$	233,333
Estimated Meter Reads Target: <=10.0%						
%		TOTAL		Electric		Gas
> 10.0%	\$	266,666	\$	208,333	\$	58,333
> 11.0%	\$	533,334	\$	416,667	\$	116,667
> 12.0%	\$	800,000	\$	625,000	\$	175,000
> 13.0%	\$	1,066,666	\$	833,333	\$	233,333
Calls Answered within 30 seconds (Service Level) Target: >=77%						
		TOTAL		Electric		Gas
< 77%	\$	266,666	\$	208,333	\$	58,333
< 76%	\$	533,334	\$	416,667	\$	116,667
< 75%	\$	800,000	\$	625,000	\$	175,000
< 74%	\$	1,066,666	\$	833,333	\$	233,333
Appointments Kept Target: >=97%						
		TOTAL		Electric		Gas
< 97%	\$	266,666	\$	208,333	\$	58,333
< 96%	\$	533,334	\$	416,667	\$	116,667
< 95%	\$	800,000	\$	625,000	\$	175,000
< 94%	\$	1,066,666	\$	833,333	\$	233,333
Customer Interaction Service Index ("CISI/R&SB CSI") Target: >=7.6, 2011 target TBD						
		TOTAL		Electric		Gas
< 7.6	\$	266,666	\$	208,333	\$	58,333
< 7.4	\$	533,334	\$	416,667	\$	116,667
< 7.2	\$	800,000	\$	625,000	\$	175,000
< 7.0	\$	1,066,666	\$	833,333	\$	233,333

TOTAL \$ 4,999,998 \$ 1,399,998

NOTES:

Dollar figures are revenue adjustment penalties if performance levels not met

Current Survey Methodology

	NYSEG	RG&E
Survey Population	<p>Non- restricted by transaction type, but restricted by # per division Random sample of 250 recent contacts per division per month Random sample pulls all telephone incoming and walk-in office contacts. Includes all contact types/transactions. ~Average monthly returns for 2009 are at 240/month. (2880 annually)</p>	<p>Restricted by 4 transactions and 50% split between residential and non-residential Random sample of 4 targeted transaction types (Billing, No Lights, Turn On/Off, Tree Trimming) Vendor has quota of 100 completed surveys for each transaction each quarter, 50% residential and 50% non-residential.</p>
Completed Surveys	<p>Average monthly returns for 2009 are at ~240/month. (~2,880 annually)</p>	<p>Due to low number of tree trimming requests from non-residential customers we receive approximately 350 completed surveys each quarter. (~116/month) (~1400 annually)</p>
Type of Survey	Mailed (Light paper, brochure with ability to refold and return)	Telephone
Max. time Between Transaction & Response	Samples are pulled from previous month contacts, but mailing method creates opportunity to receive responses much later than 1 month from original transaction date	Sample pulls all contacts/completed orders for these transactions on a weekly basis and provided to vendor for contact within 1 week of transaction
Meaningful Data	<p>% of Dissatisfied with no comment in comment section of survey 2008 = 22% 2009 = 17%</p>	<p>% of Dissatisfied with no comment to open ended benchmark question 2008 =0% 2009 =0%</p>
Benchmark Question	<p>Overall, I was satisfied with the service I received from NYSEG. [Agree Strongly=1, Agree Somewhat=2, Neither Agree/Disagree=3, Disagree Somewhat=4, Disagree Strongly=5]</p>	<p>First, using a scale from 0 to 10 where a '0' would mean you are completely dissatisfied and a '10' would mean you are completely satisfied, please rate your overall satisfaction with RG&E's performance in resolving your <insert transaction> issue.</p>
Scale of Benchmark Question	1 - 5, with a score of 3-5 dissatisfied	0 - 10, with a target of >=7.6, a score of 0-7 = dissatisfied
Method of Calculation of Benchmark Question	<p>Number of customers giving a satisfied score divided by total number of completed surveys. Annual Calculation: Sum of satisfied customers divided by sum of completed surveys</p>	<p>Quarterly Calculation: Sum of the Average satisfaction for each transaction type weighted by number of completed surveys for each transaction Annual Calculation: Average of the four quarter results</p>
Placement of Benchmark Question	Middle of survey	1st question
Statistical Reliability	95% +/-X% annually, 95% +/-5% bi-monthly	95% +/- X% annually, 95% +/-5% quarterly
Results Reported	Monthly	Quarterly

Proposed Survey Methodology

	Proposed	NYSEG Current	RG&E Current
Survey Population	<p>-Non-restricted by transaction type (Includes all contact types/transactions) -Random Sample of 600 recent telephone and walk-in office contacts. (7200 annually) NYSEG Changes: Eliminate restriction by division, increase monthly completed surveys RG&E Changes: Eliminates transaction restriction and increase monthly completed surveys</p>	<p>Non- restricted by transaction type, but restricted by # per division Random sample of 250 recent contacts per division per month Random sample pulls all telephone incoming and walk-in office contacts. Includes all contact types/transactions. ~Average monthly returns for 2009 are at 240/month. (2880 annually)</p>	<p>Restricted by 4 transactions and 50% split between residential and non-residential Random sample of 4 targeted transaction types (Billing, No Lights, Turn On/Off, Tree Trimming) Vendor has quota of 100 completed surveys for each transaction each quarter, 50% residential and 50% non-residential.</p>
Completed Surveys	Monthly Sample of Completed Surveys= 600; 7200 annually	Average monthly returns for 2009 are at ~240/month. (~2,880 annually)	Due to low number of tree trimming requests from non-residential customers we receive approximately 350 completed surveys each quarter. (~116/month) (~1400 annually)
Type of Survey	Telephone	Mailed (Light paper, brochure with ability to refold and return)	Telephone
Max. time Between Transaction & Response	Sample pulls all contacts/completed orders for all recent contacts on a weekly basis. Provide data to vendor for contact within 1-2 weeks of transaction	Samples are pulled from previous month contacts, but mailing method creates opportunity to receive responses much later than 1 month from original transaction date	Sample pulls all contacts/completed orders for these transactions on a weekly basis and provided to vendor for contact within 1 week of transaction
Meaningful Data	Planned % of Dissatisfied with no comment to open ended benchmark question 2008 =0% 2009 =0%	% of Dissatisfied with no comment in comment section of survey 2008 = 22% 2009 = 17%	% of Dissatisfied with no comment to open ended benchmark question 2008 =0% 2009 =0%
Benchmark Question	TBD with Collaborative	Overall, I was satisfied with the service I received from NYSEG. [Agree Strongly=1, Agree Somewhat=2, Neither Agree/Disagree=3, Disagree Somewhat=4, Disagree Strongly=5]	First, using a scale from 0 to 10 where a '0' would mean you are completely dissatisfied and a '10' would mean you are completely satisfied, please rate your overall satisfaction with RG&E's performance in resolving your <insert transaction> issue.
Scale of Benchmark Question	1-10, with dissatisfaction score evaluation TBD with Collaborative	1 - 5, with a score of 3-5 dissatisfied	0 - 10, with a target of >=7.6, a score of 0-7 = dissatisfied
Method of Calculation of Benchmark Question	Number of customers giving a satisfied score divided by total number of completed surveys. Annual Calculation: Sum of satisfied customers divided by sum of completed surveys	Number of customers giving a satisfied score divided by total number of completed surveys. Annual Calculation: Sum of satisfied customers divided by sum of completed surveys	Quarterly Calculation: Sum of the Average satisfaction for each transaction type weighted by number of completed surveys for each transaction Annual Calculation: Average of the four quarter results
Placement of Benchmark Question	TBD with Collaborative	Middle of survey	1st question
Statistical Reliability	With the increase to 7200 completed surveys, 95% +/-1%	95% +/-X% annually, 95% +/-5% bi-monthly	95% +/- X% annually, 95% +/-5% quarterly
Results Reported	Monthly	Monthly	Quarterly

Low Income Programs Summary		
Criteria	RECAP	I-HEAP
Mandated # of Customers	1,800	n/a
Enrollment as of 6/30/2009	1,846	472
Eligibility		
Income	HEAP	HEAP
Heating - Electric	yes	
Heating - Gas	yes	
Non Heating - Electric		
Non Heating - Gas		Yes
Rate Reduction - Monthly Savings		
Electric Meter - Heating or Non-Heating		
Electric Meter - Day/Night Service		
Electric Meter - Heating	\$10.00	
Gas Meter - Heating	\$10.00	
Gas Meter - Non-Heating		\$9.81
Gas Meter - Aggregation Heating		
Gas Meter - Aggregation Non-Heating		
Arrears Matching		
Arrears Matching	n/a	n/a
Arrears Forgiveness		
Arrears Forgiveness	Up to \$125/yr	
NYSERDA Referral		
NYSERDA Referral	yes	n/a

RG&E Low Income Program Proposal

Grandfather in current arrears participants who meet guidelines of new program – arrears of \$4,800 or less and greater than \$240.

Program Highlights:

Bill Reduction Program:

- Target enrollment levels would be all HEAP eligible customers – approximately 34,000 for RG&E
- Customers will be enrolled in program once they had received a HEAP grant.
- Must receive a HEAP grant within a 14 month period to remain on program.
- Bill reduction would be \$15 dollars per meter, displayed as a bill credit.
- As long as receiving HEAP, could remain in the program.
- Customers may be referred to NYSERDA depending on program availability.

Arrears Forgiveness Program:

Enrollment guidelines:

- Customers must complete and sign an application form to be considered.
 - Enrollment in this program satisfies the HEFPA requirement for enrollment in a minimum installment plan; and therefore, no further installment plans would be offered upon termination from this program.
 - Customer signature also allows for release of their account information to NYSERDA.
- Must be a current residential RG&E customer with active service. Program will apply to customer's primary residence.
- Customers must have received HEAP within the last 14 months or be HEAP income eligible. For customers new to service territory or newer arrears situation, eligibility can be proven by income eligibility or proof of HEAP grant.
- Arrears guidelines for participation would be between \$240 minimum and \$4800 maximum.
- Customers will be allowed to participate in the Arrears Reduction program for one 36 month period.

Program Benefits:

- Customers will be referred to NYSERDA which includes optional budget counseling component.
- Account balance at the point of enrollment is held in abeyance and not subject to collection activity.
- Bill reduction benefit.
 - Customer will be part of Bill Reduction program and receive fifteen dollars per meter displayed as a bill credit.
- Monthly arrears forgiveness.
 - At the end of each month the customer pays on time they receive arrears forgiveness of 1/24th of arrears amount at time of enrollment.
- Customer has up to 36 months to complete the program.
 - Customers have 24 opportunities in 36 months to make timely payments and receive arrears reduction of 1/24th of arrears enrollment amount.

Customer Responsibilities:

- Budget billing is required.
- Application for HEAP grants is required.
 - Customers would be required to apply for HEAP (EHEAP if gets a notice) and could remain on the program while receiving this assistance. HEAP and EHEAP payments would be applied to current bill with any remaining credit balance remaining on account.
 - Should a customer's financial condition change to the positive while on the program, the balance of the three year program will be honored by the utility. Customers may be required to provide financial documentation to confirm they are no longer eligible for HEAP.

- If customer falls behind they would be required to catch up missed payments to remain in the program. Would not be entitled to retroactive credits during delinquent periods.
- No further Installment plans (IP) are allowed under this program for arrears accumulated while on the program.
- Once customers have completed this program, they will continue in the Rate Reduction program.

Termination:

- If the customer is shut off for no payment.
- Move out of service area.
- Go on DSS voucher or guarantee.
- Customer completes 36 months and arrears not paid off.

Re-enrollment:

- Move within service area (amount in withheld will not exceed amount held at time of move).
 - Will have only balance of 36 months remaining from when program was suspended.
- Come off voucher/guarantee (amount in withheld will not exceed amount held at time they went on voucher/guarantee).

SUMMARY
Defaulted Installment Plans (IPs) and HEAP

DEFAULTED IPs	2009*	2008	2007	2006	2005
RG&E					
Total # of IPs	32,789	28,837	25,001	N/A	N/A
Defaulted # of IPs	13,026	11,071	6,922	N/A	N/A
% of Defaulted IPs	40%	38%	28%	N/A	N/A
<i>*As of July 31, 2009</i>					

HEAP					
HEAP Season	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
RG&E					
# of Regular and Emergency Grants Applied to Customer Accts	47,337	36,532	39,709	35,906	N/A
# of Customer Accts Received an Initial and/or Emergency HEAP Grant	40,607	29,503	25,698	N/A	N/A
HEAP Dollars Received thru Regular and Emergency Grants	\$24,219,227	\$15,274,913	\$15,928,017	N/A	N/A
Percent Increase in Customers	37.6%				

RG&E Households Served Through EmPower New York

Total Jobs Completed to Date

RG&E (7-1-2006 to 7/30/2009)	1,783
------------------------------	-------

Jobs for Period 8/6/2008- 8/6/2009

RG&E	
Number of Households Served: 412	
Major Measures*	Number of Jobs
Refrigerator Replacement	144
Freezer Replacement	57
Domestic Hot Water Replacement	22
Insulation/ Air Sealing	191
Heating Repair/ Replacement	199

Estimated savings for households receiving Electric Reduction measures only: 1350 KWh
Estimated savings for households receiving Electric Reduction plus Home Performance measures: 1350 KWh, 210 Therms

*Additional measures include custom, health and safety and other measures

RG&E Low Income Program	
All HEAP customers - 34,131	40,607
Bill Reduction Cost (# of HEAP cust x \$15/meter)x (gas 10.32%, electric 23.43%, 66.25% combination) x 12	\$12,151,645
Total Customers in Arrears Forgiveness Program (RECAP grandfathered and new enrollees)	4285
Customer Count (grandfathered from RECAP program with arrears meeting criteria \$240 - \$4800, as of June 30, 2009)	1285
Average arrears 1/24 payment for RECAP customers (reviewing RECAP accounts meeting the criteria of \$240 - \$4800 and averaging their arrears = \$1987/24 monthly payments)	\$83
Arrears Forgiveness Cost (average arrears of RECAP cust = \$83/mos x 12 mos x 1285 (# of cust)=	\$1,279,860
Customer Count (possible count for additional cust to enroll in program must be HEAP eligible)	3000
Average Arrears 1/24 payment for RG&E (total arrears \$/total arrears custs = \$1947/24 payments = \$81)	\$81
Arrears Forgiveness Cost (cust count x aver arrears 1/24th payment)	\$2,916,000
Total Arrears Forgiveness (totals for grandfathered RECAP and additional cust enrolled in program)	\$4,195,860
Total Bill Reduction and Arrears Forgiveness Components	\$16,347,505
Administrative Cost	\$1,337,897
Administrative Cost - Percent	8%
Total (Bill Reduction, Arrears Forgiveness Plus Admin Costs)	\$17,685,402

Proposed Low Income Program for RG&E	
One Time Costs	Proposed Program
System changes to support new program	\$184,375
Outreach to tell current customers about new program	\$47,862
Outreach to current RECAP/IHEAP informing them of changes to the program and their status	\$1,780
Total Initial Costs	\$234,017
Office	
Facilities Cost (set up cubicles and computers)	\$30,000
Total RG&E	\$264,017

Proposed Low Income Program Brochure ---- DRAFT

Last page is a tear off return form.

You Pay – We Pay!

It's that simple.

The Low Income Assistance Program (program name to be determined) provides payment assistance for eligible customers of NYSEG/RG&E with a past due balance. Customers receive a monthly bill reduction and an arrears forgiveness allowance to help pay off their arrears.

If you have received a HEAP grant in the last 14 months, or are HEAP eligible, you may qualify for NYSEG's/RG&E's Low Income Assistance Program. When you pay your monthly budget bill on time and in full NYSEG/RG&E will make a payment on your arrears. You pay – we pay.

To be eligible for the program you must:

- Be a current residential NYSEG/RG&E customer with active service at your primary residence.
- Have arrears of no less than \$240 and no greater than \$4,800 on your account.
- Have received a HEAP grant on your NYSEG/RG&E account in the last 14 months OR provide proof of income that you meet the HEAP guidelines.

Benefits:

- Your account balance at the time of enrollment will be placed on hold and not subject to collection activity.
- You will receive a monthly bill reduction of \$15 for each active meter on your primary residence to be applied to the current charges due (not to exceed one electric meter and one natural gas meter).
- When you pay your current budget bill in full and on time NYSEG/RG&E will pay 1/24th of your balance which was originally placed on hold. For example, if you have \$1,200 on hold we will pay \$50 when you pay your current charges in full and on time.
- You have 24 opportunities in 36 months to make timely payments and receive an arrears reduction credit of 1/24th.
- You will be referred to an energy services agency such as the New York State Energy Research and Development Authority (NYSERDA) and may qualify for free energy services upgrades and optional budget counseling workshops.

Customer Responsibilities:

- You must complete and sign the Low Income Program application form to be considered. If a HEAP grant has not been posted to your NYSEG/RG&E account in the last 14 months, you will need to enclose proof of income eligibility in order for your application to be processed. Please provide a photocopy of ONE of the following:
 - A copy of a qualifying award letter for programs such as HEAP (for an alternate fuel supplier), Food Stamps, HUD Housing, Medicaid, Medicare.

- Part D, Temporary Assistance, WIC, Child Health Plus, Family Health Plus or Reduced/Free School Lunch Program.
- A copy of your federal income tax return.
- Proof of monthly household income such as Social Security, Pension, Disability, SSI/SSD, or paycheck stubs for the last four weeks.
- If you fall behind in your payments you would be required to catch up missed payments to remain in the program and would not be entitled to retroactive credits during delinquent periods. Any current bills that fall past due would be subject to collection activity.
- You would be required to apply for HEAP (emergency HEAP if you get a shutoff notice) and could remain in the program while receiving emergency HEAP assistance. Regular HEAP and emergency HEAP payments would be applied to your current bill charges. Any remaining credit balance would be applied to current charges on future bills until it is used up.
- You must agree to be on Budget Billing.
- You must complete the program in 36 months. The Low Income Program is a one-time enrollment opportunity.
- Once you have successfully completed the program you will continue to receive the bill credit of \$15 per active meter as long as you continue to receive HEAP.

You can be terminated from the Low Income Program if you:

- Fail to make three (3) consecutive bill payments.
- Move out of our service area.
- Go on DSS Voucher or Guarantee programs.
- Complete 36 months in the program and the arrears are not paid off.

You may be re-enrolled if you:

- Move within our service area and were still in good standing on the program at the time of the move. The amount on hold will not exceed the amount held at the time of your move. You will only have the balance of the 36 months remaining at the time of your move.
- Came off DSS Voucher or Guarantee programs. The amount on hold will not exceed the amount held at the time you went on Voucher or Guarantee and you will only have the balance of the 36 months remaining at the time you went on the DSS program.

Low Income Program Application Form

Name _____

Spouse's Name _____

Address _____

City _____

State _____ Zip _____

Daytime Phone _____

NYSEG/RG&E Account # _____

In order to process your application you will need to enclose proof of income eligibility if a HEAP grant has not been posted to your NYSEG/RG&E account in the last 14 months. Please provide a photocopy of ONE of the following:

- A copy of a qualifying award letter for programs such as HEAP (for an alternate fuel supplier), Food Stamps, HUD Housing, Medicaid, Medicare Part D, Temporary Assistance, WIC, Child Health Plus, Family Health Plus or Reduced/Free School Lunch Program.
- A copy of your federal income tax return.
- Proof of monthly household income such as Social Security, Pension, Disability, SSI/SSD, or paycheck stubs for the last four weeks.

Participation in the Low Income Program shall take the place of any Installment Plan agreement otherwise available through the Public Service Law and regulations for any amounts owed to NYSEG/RG&E at the time of program entry. Because the Low Income Program is a no down payment, zero installment program which provides forgiveness of pre-Low Income Program arrears when timely payment is made on current discounted bills, it is more generous than an Installment Plan under Public Service Law and regulations. By signing this application you consent to these terms and agree that the Low Income Program arrearage forgiveness is the sole arrangement you will be given to avoid disconnection of service for non-payment. No further Installment Plan is allowed under this program for arrears accumulated while on the program.

Agreement Signature:

Your signature indicates your agreement that you fully understand the requirements of the Low Income Program and that all of the information provided in this application is true and accurate. Your signature also gives us permission to release your account information to an energy services agency such as NYSERDA to ensure that you have the opportunity to receive all available assistance for which you are qualified. Your information will remain confidential among these agencies and NYSEG/RG&E. Your signature also indicates you understand that all bills must be paid on time and in full in order to receive the full benefit of the Low Income Program, and that no other Installment Plan will be offered in connection with pre-program amounts owed to NYSEG/RG&E.

Signature _____

Date _____

RG&E Write-Offs Net of Recoveries		
Electric		
	2007	3,537,021
	2008	7,820,283
Gas		
	2007	6,182,324
	2008	11,838,225
Total		
	2007	9,719,345
	2008	19,658,508

Arrears as of 6/30/2009											
Aging											
OpCo	Current	1-30	31-60	61-90	91-120	121 plus	Total	Arrears		>90	
RG&E	\$47,102,442	\$10,256,508	\$7,589,237	\$7,821,336	\$6,480,840	\$40,065,836	\$119,316,198	\$72,213,757		\$46,546,676	64.5%


Data from CCS on June 30, 2009

		1 - 30 days	31 - 60 days	61 90 days	> 90 days
RG&E					
Jun-08		19.5%	12.1%	10.8%	57.6%
Jun-09		14.2%	10.5%	10.8%	64.5%

Percent of arrears by aging
Data from CCS Arrears reports

RG&E	June 2009	
Description	Count	Arrears
Minimum DPA (avg length 11.9 years)	18364	\$26,317,314.63
Life Support	276	\$ 541,942.16
Elderly, Blind, Disabled (EBD)	1236	\$ 1,232,885.43
Medical Holds	235	\$ 543,959.48
DSS Abeyance Accts	1533	\$ 2,769,021.39
Total	21644	\$31,405,123.09

Data from CCS reports on June 26, 2009


NEW YORK STATE
Office of Temporary and Disability Assistance

HOME ENERGY ASSISTANCE PROGRAM (HEAP) INFORMATION

June 11, 2009

FUNDING:

Component	08-09 National Appropriation	08-09 NYS Share	09-10 President's Proposal	09-10 Projected NYS Share	NYS Share 2008-09 vs. 2009-10
Base Allocation	\$4,500.00M	\$475.4M	\$2,410.0M	\$251.0M	-\$224.4M
Contingency Funds	\$590.0M	\$62.2M	\$790.0M	\$0.0M	-\$62.2M
Prior Year Contingency Funds	\$120.68M	\$12.1M	\$0.0M	\$0.0M	-\$12.1M
TOTAL	\$5,210.68M	\$549.7M	\$3,200.0M	\$251.0M	-\$298.7M

2008-09 HEAP

BENEFITS ISSUED: (as of 6/3/09)

REGULAR: 1,284,277 (includes 192,280 in \$1 benefits) = \$315, 913, 461

Regular benefits increased over 35% from the prior year.

RG&E UNCOLLECTIBLES								
Number Uncollectible Accounts				Dollars Uncollectible Accounts			Average Cost Per Customer	
May YTD 2009	Res	Non-Res	Total # Accts	Res	Non-Res	Total \$ Accts	Res	Non-Res
Totals	12,514	592	13,106	\$4,233,314	\$897,742	\$5,131,056	\$338	\$1,516
2008	Res	Non-Res	Total # Accts	Res	Non-Res	Total \$ Accts	Res	Non-Res
Totals	33,094	1,287	34,381	\$17,817,081	\$1,841,427	\$19,658,508	\$538	\$1,431
2007	Res	Non-Res	Total # Accts	Res	Non-Res	Total \$ Accts	Res	Non-Res
Totals	29,065	1,145	30,210	\$9,038,396	\$777,406	\$9,815,802	\$311	\$679
2006	Res	Non-Res	Total # Accts	Res	Non-Res	Total \$ Accts	Res	Non-Res
Totals	19,841	1,545	21,386	\$9,878,886	\$1,764,302	\$11,643,188	\$498	\$1,142

Data from CCS reports

**Residential Write Off Correlation to Years Of Service
7/2008 Through 6/2009
Contract Quantities***

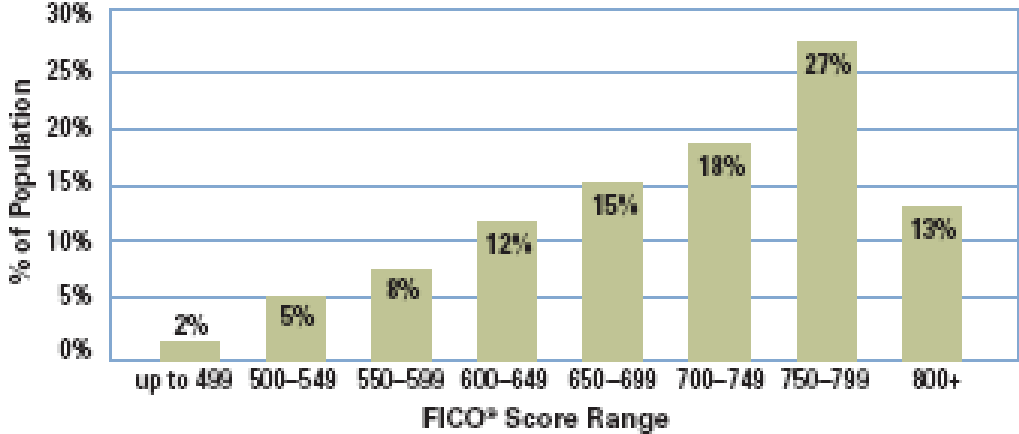
Count of Contract		Yr Mm																
Company	YrsSvc	2008						2008 Total	2009						2009 Total	Grand Total	%	Total %
		7	8	9	10	11	12		1	2	3	4	5	6				
RG&E	<1	1,199	1,109	1,250	1,552	1,279	1,701	8,090	1,587	1,081	1,041	1,300	1,292	1,633	7,934	16,024	58%	58%
	1	318	336	355	562	497	712	2,780	548	479	387	430	470	584	2,898	5,678	20%	78%
	2	135	117	137	156	169	207	921	200	122	138	163	176	204	1,003	1,924	7%	85%
	3	51	61	64	79	80	91	426	70	80	66	57	82	117	472	898	3%	88%
	4	54	23	51	49	47	53	277	68	39	41	65	49	58	320	597	2%	90%
	5+	202	169	209	243	184	291	1,298	267	198	190	206	243	320	1,424	2,722	10%	100%
RG&E Total		1,959	1,815	2,066	2,641	2,256	3,055	13,792	2,740	1,999	1,863	2,221	2,312	2,916	14,051	27,843		

Data from CCS reports

Analysis of Residential Write-off (July 2008 – June 2009)

Residential Write-Off (July 2008-June 2009)		Totals	%
RGE	Customer With Previous Debt	6,631	23.80%
	New Customer with No Prior History	16,765	60.20%
	Total Account in Write-off	27,843	84.00%

National Distribution of FICO® Scores



Source: Fair Isaac Corporation

RG&E	
Rate Year 1 (Sept 2010 - August 2011)	
Total Payment Quantity*	4,403,666
Credit Card Payment Quantity	543,119
Average Fee Per Transaction**	\$1.02
Total Cost	\$553,981
Rate Year 2 (Sept 2011 - August 2012)	
Total Payment Quantity	4,403,666
Credit Card Payment Quantity	880,733
Average Fee Per Transaction	\$1.02
Total Cost	\$898,348
Rate Year 3 (Sept 2012 - August 2013)	
Total Payment Quantity	4,403,666
Credit Card Payment Quantity	880,733
Average Fee Per Transaction	\$1.02
Total Cost	\$898, 348
Rate Year 4 (Sept 2013 - August 2014)	
Total Payment Quantity	4,403,666
Credit Card Payment Quantity	880,733
Average Fee Per Transaction	\$1.02
Total Cost	\$898, 348
Rate Year 5 (Sept 2014 - August 2015)	
Total Payment Quantity	4,403,666
Credit Card Payment Quantity	880,733
Average Fee Per Transaction	\$1.02
Total Cost	\$898, 348

* Total Payment Quantity equals the number of payments received January 1, 2008 through December 30, 2008. For the purposes of this exhibit, these amounts were held flat.

** The Average Fee Per Transaction of \$1.02 is derived from the sum of \$.70 per transaction credit card fee for utilities (Average of MasterCard and Visa fees) plus \$.10 per transaction acquirer fee (i.e., Bank of America) plus assessment fee of .00095 times average RG&E payment of \$231.83 (i.e., \$.70 + \$.10 + (.00095*\$231.83) = \$1.02 Average Fee Per Transaction).

INDEX OF WORKPAPERS SUPPORTING DIRECT TESTIMONY OF THE CUSTOMER SERVICE PANEL (RG&E)						
Exhibit Reference	Description of Exhibit	No. WP	Title of Workpaper (or WP) File	Content of Workpaper	WP Format	Trade Secret
RGECS-1	Customer service performance mechanism	0				
RGECS-2	June 2009 year-to-date customer service performance indicators	0				
RGECS-3	New incremental revenue adjustments	0				
RGECS-4	Current survey methodology at both Companies	0				
RGECS-5	Proposed survey methodology for both Companies	1	<ul style="list-style-type: none"> RGECS-5-WP Cost 	<ul style="list-style-type: none"> RG&E Customer Interaction Service Index – Cost Work Paper 	.doc	No
RGECS-6	Contact satisfaction survey cost	0				
RGECS-7	Low income programs summary	2	<ul style="list-style-type: none"> RGECS-7 WP-RECAP Cust Counts RGECS-7-WP iHEAP Count 	<ul style="list-style-type: none"> RECAP customer counts iHEAP Count from July 2008 to June 2009 	.xls .xls	No No
RGECS-7	Low income programs proposal	0				
RGECS-8	Summary of defaulted installment plans and HEAP information	0				
RGECS-9	Recent benefits received by Empower New York customers	5	<ul style="list-style-type: none"> RGECS-9-WP Defaulted IPs RGECS-9-11-WP HEAP #s RGECS-9-11 WP PSC HEAP report 	<ul style="list-style-type: none"> Defaulted IPs HEAP numbers HEAP Data for 2007-2008 Season and 2006-2007 Season 	.xls .xls .xls	No No No

INDEX OF WORKPAPERS SUPPORTING DIRECT TESTIMONY OF THE CUSTOMER SERVICE PANEL (RG&E)						
Exhibit Reference	Description of Exhibit	No. WP	Title of Workpaper (or WP) File	Content of Workpaper	WP Format	Trade Secret
RGECS-11	Enrollment levels and associated costs of proposed low income programs	5	<ul style="list-style-type: none"> • RGECS-9-11-WP HEAP #s • RGECS-9-11-WP PSC HEAP report • RGECS-11-WP Meter Split • RGECS-11 WP-RECAP Arrears • RGECS-11-WP Admin Costs 	<ul style="list-style-type: none"> • HEAP numbers • HEAP Data for 2007-2008 Season and 2006-2007 Season • Count by ADID and Fuel – NYSEG (By CA) (A) • RECAP arrears as of June 2009 • Proposed Low Income Program Budget 	.xls .xls .xls .xls .xls	No No No No No
RGECS-12	One-time start up costs for low income programs	2	<ul style="list-style-type: none"> • RGECS-12 -WP IT Spec • RGECS-12-WP Outreach Costs 	<ul style="list-style-type: none"> • IT Spec requirement for low income rate reduction program • Proposed Outreach Low Information Program Budget 	.xls .xls	No No
RGECS-13	Proposed low income brochure and application	1	<ul style="list-style-type: none"> • RGECS-13-WP National Fuel App 	<ul style="list-style-type: none"> • National Fuel LICAPP Application 	.pdf	No
RGECS-14	Uncollectible expense increases	1	<ul style="list-style-type: none"> • RGECS-14-uncollectible expense 	<ul style="list-style-type: none"> • Monthly write-offs, net of recoveries for 2007 and 2008 	.xls	No
RGECS-15	Arrears as of June 30, 2009	0				
RGECS-16	Percent of arrears by aging as of June 30, 2009	1	<ul style="list-style-type: none"> • RGECS-16 WP-Aging Buckets 	<ul style="list-style-type: none"> • Aging buckets for June 2008 and June 2009 	.xls	No
RGECS-17	Number of customers and arrears for customers in payment agreements	0				
RGECS-18	Webpage from ODTA on HEAP funding	0				
RGECS-19	Uncollectibles accounts information from 2006 through May 2009	0				

INDEX OF WORKPAPERS SUPPORTING DIRECT TESTIMONY OF THE CUSTOMER SERVICE PANEL (RG&E)						
Exhibit Reference	Description of Exhibit	No. WP	Title of Workpaper (or WP) File	Content of Workpaper	WP Format	Trade Secret
RGECS-20	Residential write-off from July 2008 through June 2009	1	<ul style="list-style-type: none"> RGECS-20-WP-Term of Service 	<ul style="list-style-type: none"> Residential Write Off Correlation to Years of Service 7/2008 Through 6/2009 for contract quantities and service dollars 	.xls	No
RGECS-21	Analysis of residential write-off from July 2008 through June 2009	1	<ul style="list-style-type: none"> RGECS-21-WP-New and Prior Debt Cust 	<ul style="list-style-type: none"> Residential New Customers Written Off 7/2008 Through 6/2009 and Balance Transfers Written Off 7/2008 Through 6/2009 	.xls	No
RGECS-22	Chart on the national distribution of FICO score range	1	<ul style="list-style-type: none"> RGECS-22-WP-Understanding your credit score 	<ul style="list-style-type: none"> Understanding Your FICO Score Booklet 	.pdf	No
RGECS-23	Estimated fees associated with customer use of credit cards	3	<ul style="list-style-type: none"> RGECS-23-WP-Visa Rates RGECS-23-WP 2008 payment volume RGECS-23-WP Mastercard Rates 	<ul style="list-style-type: none"> Visa brochure on interchange reimbursement fees Payment quantities and dollars MasterCard Worldwide U.S. and Interregional Interchange Rates 	.pdf .xls .pdf	No No No