

# Regulatory Monitoring of Private Utilities in New York State

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# Regulatory Monitoring

- Public Service Law establishes certain monitoring requirements
- Commission established rules and regulations contain filing requirements for many types of requests from utilities for Commission action which can be used to monitor utility actions
- Compliance with commission Orders; Rate Cases, Financings, tariff Changes, Deferrals, property transfers, mergers and acquisitions



# Customer Service Monitoring

- Monitor customer complaint rates
- Set outage notification requirements
- Customer satisfaction surveys
- Call answer rates
- Example: Con Edison Electric
  - Number of Complaints to Commission: \$9 million at risk
  - Customer Satisfaction Survey Index Rating
    - Emergency Callers: \$6 million at risk
    - Non-emergency Callers: \$6 million at risk
    - Customer Service Centers: \$6 million at risk
  - Outage Notification: \$8 million at risk
  - Call Answer Rate: \$5 million at risk





# Gas and Electric Safety Monitoring

- Inspect construction and O&M of gas and oil pipelines and electric T&D infrastructure to ensure that standards of safety and reliability are met.
- Investigates accidents, service interruptions and company maintenance procedures relating to electric, gas and water operations.
- Electric utilities have both an annual and five year inspection requirement
  - All of the publicly accessible T&D facilities must be inspected annually for stray voltage
  - All T&D facilities must be visually inspected once every five years
  - There are performance mechanisms associated with each



# Reliability of Service Monitoring

- Performance mechanisms for all major utilities
- Downward adjustments in revenues with declines in quality of service
- Annual reports of results and penalties
- Example: Con Edison Electric
  - Network Major outage metric
    - 3 to 6 hours of 15% or more customers out - \$5 million at risk
    - >6 hours to 12 hours - \$10 million at risk
    - > 12 hours - \$15 million penalty
  - Radial Outage Duration – CAIDI
    - Threshold Target 2.04 hours - \$5 million at risk
  - Radial Outage Frequency – SAIFI
    - Threshold Target 0.485 - \$5 million at risk





# Financial Monitoring

- Periodic audits of utility records
- Quarterly and annual reports
- Rate Cases and other specific orders
- Examples:
  - Earnings sharing reports
  - Deferral petitions
  - Quarterly report of operations



# Market Monitoring Program

- Regulatory
  - NYISO Internal Market Monitor
  - NYISO External Market Monitor
  - FERC Market Monitor
  - NYPSC Market Monitor
  - Commodity Futures Trading Commission (CFTC)
- Judicial
  - Attorney General
  - Department of Justice