

ULSTER COUNTY EXECUTIVE
244 Fair St. P.O. Box 1800, Kingston, New York 12402-1800
Main: 845-340-3800

PATRICK K. RYAN
County Executive

CHRISTOPHER KELLY
Deputy County Executive



MARC RIDER
Deputy County Executive

JOHANNA CONTRERAS
Deputy County Executive

May 12, 2022

Central Hudson Gas & Electric Corp.
284 South Avenue
Poughkeepsie, New York 12601

Attention: Charles A. Freni, CEO

Re: Consumer Protections for Fortis/Central Hudson Customers

Dear Mr. Freni:

We write out of concern for the 393,000 customers who receive their gas and electric service from Fortis/Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) and a need for immediate corrective action.¹ It is believed that Central Hudson launched a new billing and customer service system around August of 2021, the implementation of which has been fraught with errors. In the months that followed our offices have received thousands of calls and emails detailing a range of problems including, but not limited to, customers receiving multiple bills per month with different amounts due, problems with estimated billing, inaccurate bills, missing bills for months at a time, budget billing issues, and staggeringly high bills paid for by auto-billing that caused overdrafts, without justification. Collectively we called on the Department of Public Service (“DPS” or Department) and the Public Service Commission (“PSC” or Commission) to investigate these billing issues as well as other actions relating to recent Executive level decisions.

During the month of March 2022, the Department launched three matters investigating your Company; the Company’s Executive Level response to Winter Storm Landon, a Comprehensive Management and Operations Audit of the implementation of the new customer information system (“CIS”), and the review of the upgrade to the new CIS and the resulting billing errors.² To ensure the public’s stories were heard, our offices worked together and held a public hearing on Tuesday, May 3, 2022.

Over 45 people shared their experiences at the May 3 hearing, which will join the nearly 4,000 comments that have already been submitted to DPS Matter [22-00666](#). These statements demonstrate a multitude of issues, much of which we initially raised in our respective calls for investigation. However the problems reported and verified at the May 3, 2022 public hearing raised new concerns including the Company’s inability to return funds in a timely fashion, the assessment of returned check fees when accounts are credited (and other reasonably foreseeable third-party fees and expenses being levied on the Company’s customers), and the recategorization of residential households as commercial customers.

¹ See, description of Central Hudson’s service territory, <https://www.cenhud.com/en/about-us/our-service-territory/>

² Including the “bill surge.” See, NYS Department of Public Service Matters 22-00497, 21-M-0541 and 22-00666.

Considering these troubling reports, we urge Central Hudson to take additional action immediately to protect its customers. Such efforts are necessary while all three investigations are ongoing and until the Company rectifies its billing issues and implements appropriate corrective measures and restitution deemed necessary by the Department.

First, Central Hudson should halt service terminations until at least May 1, 2023, as customers are still experiencing billing issues, more than eight months following the Company's system upgrade. A year of protection from service termination would provide time for Central Hudson and the Department to work towards resolution while providing customer service security through next year's heating season. Second, the Company should reconnect any customers whose service was terminated from August 2021 to the present while reversing all late fees, interest accruals and negative credit reports made by the Company from August 2021 to the present. Third, all customers in arrears whose bills can be determined to be legitimate and subsequently verified and approved by the Department, should be provided with the minimum Deferred Payment Agreement ("DPA") at \$0 down and \$10/month going forward. We hold that this remedy for residential customers should also be extended to small business customers. Fourth, current energy costs should not be retroactively applied to any estimated or actual bills from previous billing periods and credits should be issued where such a practice has been carried out. Rather, the Company should apply charges based on the specific month in question when issuing corrected invoices. Fifth, any customers in arrears who do not receive corrected, accurate and verified bills by June 30, 2022, should have their balances zeroed out.

Finally, it must be noted that much of the documentation for rate cases is redacted from the public eye under the banner of trade secrets. With a dearth of consumer choice for utility providers in Central Hudson's service territory, this information is being withheld from the Company's customers, not competitors. We therefore request greater transparency of the market prices and formulas the Company uses to determine supply costs foisted on consumers, and greater transparency the hedging activities or lack thereof made by the Company despite the October 2021 federal commodity price increase forecast.

Central Hudson has a duty to provide its customers with regular and accurate bills while providing safe and adequate service at just and reasonable rates. Its failure to do so has eroded public trust, caused significant consumer harm and necessitated a strong and swift response to correct the countless billing errors. As elected representatives, it is our duty to ensure that our constituents are sufficiently heard in these matters and receive dramatically improved service as should be required of utility providers in the State of New York. We respectfully request that the Company submit a response to this letter without undue delay, but by no means more than ten calendar days after receipt.

Thank you for your attention to this matter.

Sincerely,



Patrick K Ryan
County Executive



Kevin A. Cahill
Assemblymember, 103rd District



Michelle Hinchey
Senator, 46th District

cc:

Rory M. Christian, Chair, New York State Public Service Commission
Secretary Michelle Phillips, New York State Public Service Commission
The Honorable Kathy Hochul, New York State Governor
The Honorable Antonio Delgado, Incoming New York State Lieutenant Governor
Letitia James, Esq., New York State Attorney General
Jennifer Levy, Esq., New York State First Deputy Attorney General
Richard Berkley, Executive Director PULP