



May 17, 2022

New York State Public Service Commission
3 Empire State Plaza
Agency Building 3
Albany, New York 12223-1350

Attention: Hon. Rory M. Christian, Chair

Re: Consumer Protections for Central Hudson Customers

Dear Chair Christian:

We are writing to you today out of concern for the 393,000 customers who receive their gas and electric service from Fortis/Central Hudson Gas & Electric Corporation (“Fortis/Central Hudson” or the “Company”) and the need for immediate corrective action.¹ It is believed that Fortis/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. We thank you for opening three matters into the Company: Fortis/Central Hudson’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 What follows are the steps we need the Department and Commission to take to help Fortis/Central Hudson’s customers.

As of the date of this letter, nearly 4000 comments have been submitted on the DPS portal for Matter 22-00666 detailing a multitude of issues, many of which we initially raised in our respective calls for investigation. On Tuesday, May 3, 2022 our offices held a public hearing to help gather stories for the record. A stenographer captured 45 comments which we will be submitting to your attention shortly.

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.

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Unfortunately, what we heard that night from the 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.

Considering these troubling reports we urge the Department and Commission to take additional action immediately to protect Central Hudson's customers. First, we ask that the Department expedite the investigation process with the goal of publishing its findings by October 1, 2022, before heating season begins again. Having a set timeline for completion will demonstrate the urgency of this situation and help the public remain calm. Second, our offices respectfully request bi-monthly updates from the Department on the status of the investigation. Specifically, we seek information pertaining to any corrective action ordered in the meantime so that we can communicate with our constituents about any new developments.

Third, in our letter to Fortis/Central Hudson dated May 11, 2022, attached herein, we urged the Company to take specific protective measures to help its customers, which we now ask the Department and Commission to fortify with a remedial Order for the pendency of the investigations:

- the reconnection of any customers whose service was terminated from August 2021 to the present, the reversal of all late fees, interest accruals and negative credit reports made by the Company from August 2021 to the present,
- the offer of minimum Deferred Payment Agreement ("DPA") at \$0 down and \$10/month going forward to any residential or small business customers in arrears whose bills can be determined to be legitimate and subsequently verified and approved by the Department,
- the retroactive application of monthly energy costs when recalculating customer bills rather than the use of current energy costs at the time of correcting bills; the release of credits for any accounts experiencing overpayments, and
- the practice of zeroing out any accounts where customers in arrears do not receive corrected, accurate and verified bills by June 30, 2022.

Such efforts are necessary while all three investigations are ongoing and until the company rectifies its billing issues and implements all corrective measures and restitution deemed necessary by the Department. It is unfair, inequitable, and contrary to the public interest for the Company's customers to be the only ones financially affected by these manifest billing system failures.

Fourth, due to the scope and magnitude of the consumer impact, we urge the Department and Commission to appoint an independent monitor to oversee Fortis/Central Hudson's daily operations until such time that a full resolution of the problems giving rise to the three current investigations has been reached. Fifth, we call on the Commission to suspend the rate increase set to go into effect in July and restrict any rate increases until the closure of the investigation. The Company should not be granted additional profits during a time when their customers have been unreasonably impacted by the Company's ineptitude in implementing the customer service and regular billing practices upon which the Company's business relies. Further this investigation should be completed prior to future rate filings to have the findings of these investigations available for those determinations. Sixth, we believe that due to the diverse types of harm customers are experiencing that the Department and Commission should use its fullest authority to seek and apply penalties against the Company and order Fortis/Central Hudson to directly compensate residential and small businesses throughout the service territory.

Seventh, due to the extensive impact of the Company's failures upon consumers, we request that as part of the investigatory process, public hearings should be held in each population center within the service

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area prior to the Department's reports being issued and also after the issuance of such reports and outlining of penalties upon the Company. 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 Fortis/Central Hudson's service territory, this information is being withheld from the Company's customers, not competitors. We therefore respectfully request greater transparency of the market prices and formulas the Company uses to determine consumer rates, as well as the Company's hedging activities or lack thereof despite the October 2021 federal commodity price increase forecast.³

As the elected representatives of our communities, we will do all that we can to help our residents be heard so that they receive dramatically improved service as soon as possible. We appreciate the Department and Commission's swift response to investigating Fortis/Central Hudson as it is the only way to ensure accurate, reliable billing occurs. We respectfully request that the Company submit a response to this letter without undue delay, no more than ten calendar days after receipt.

Thank you for your attention to this matter.

Sincerely,



Patrick K. Ryan
Ulster County Executive



Kevin A. Cahill
Assemblymember 103rd District



Michelle Hinchey
Senator, 46th District

cc:

Charles A. Freni, CEO Central Hudson Gas & Electric Corp.
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

³ See, Energy Information Administration 2021-22 Winter Fuels Outlook, https://www.eia.gov/outlooks/steo/special/winter/2021_Winter_Fuels.pdf