



December 13, 2022

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

RE: CASE 14-M-0565 Fortis/Central Hudson Phase II Contribution

Dear Chair Christian:

We are once again 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”) to strongly urge that the Commission require Company shareholders, not ratepayers, to fund Phase II arrears relief measures, and to urge the Commission to undertake a full audit of the Company’s records of accounts in arrears in light of the Company’s disastrous billing mismanagement. Fortis/Central Hudson shareholders have profited handsomely as ratepayers struggled financially during the pandemic, and they continue to struggle in the face of sky-rocketing utility and energy costs and the Company’s prolonged billing debacle. Assigning the costs of much-needed Phase 2 relief measures to Company shareholders is the only fair and reasonable path forward.

Phase I Shareholder contribution is woefully inadequate and misleading because it includes \$4.55 million COVID-19 Customer Bill Moderation credits from the 2020 rate case as if they were shareholder contributions. In actuality, Fortis shareholders only waived about \$200,000 in costs associated with EAP arrears, falling far short of the \$3 million-plus that the Company expects will be covered by ratepayers. Phase II absolutely cannot continue this same inequitable cost structure — our residents and small businesses deserve better and should not be further burdened by unacceptable costs, while Fortis shareholders continue to receive increased dividends year over year.<sup>1</sup>

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<sup>1</sup> <https://www.fortisinc.com/news-and-media/details/fortis-inc-announces-quarterly-dividend-increase-marking-49-consecutive-years-of-increases>

Additionally, we strongly encourage the Commission to complete a full audit of any accounts Fortis/Central Hudson reports to be in arrears or behind on payment agreements. In July 2022 the New York State Comptroller noted that Central Hudson had the second highest number of customers in arrears, with more customers entering arrears between March 2020 and March 2022 compared to other major gas and electric utility companies.<sup>2</sup> Without rectified accounts and the due diligence to ensure all balances are reported accurately, any funds expended on clearing those arrears could potentially be paid fraudulently to Fortis /Central Hudson.

As our residents and small businesses continue to struggle under the weight of crushing utility and energy costs and a broken utility billing system while Fortis/Central Hudson shareholders continue to profit, it is only fair and reasonable that shareholders assume responsibility for the cost of Phase 2 relief measures.

We appreciate the Department's and Commission's attention to this important matter and its commitment to the protection of consumers across New York State.

Sincerely,



Johanna Contreras  
Acting Ulster County Executive



Michelle Hinchey  
Senator, 46th District

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<sup>2</sup> <https://www.osc.state.ny.us/files/reports/pdf/distribution-of-utility-arrears-in-nys.pdf>