



NEWS FROM

ULSTER COUNTY

County Executive Jen Metzger

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Contact: Amberly Jane Campbell, Assistant Deputy County Executive

(845) 340-3800 x8958 / acam@co.ulster.ny.us

Ulster County Executive Applauds PSC Decision Holding Central Hudson Accountable

\$64.59 MILLION IN COSTS WILL BE ABSORBED BY SHAREHOLDERS — NOT RATEPAYERS

KINGSTON, NY - County Executive Jen Metzger lauded today's unanimous decision by the NYS Public Service Commission (PSC) approving a \$64.59 million settlement agreement with Central Hudson to be paid by shareholders, not ratepayers, for the failed implementation of the Company's new billing system that was rolled out three years ago. The County Executive has been [pressing](#) the Commission and the Department of Public Service (DPS) to complete the investigation and bring justice for customers before taking any decision on Fortis/Central Hudson's new rate plan.

"I want to thank the Chair Christian and the Commission for today's decision, which rightly penalizes Fortis/Central Hudson shareholders, including the company's top management, for the harm inflicted on thousands of residents and small businesses by mismanaging billing and cutting costs for the sake of profit," **said County Executive Metzger**, who also co-founded and previously directed the utility watchdog, Citizens for Local Power. "It was important for the Commission to complete the investigation and prudence review before issuing any Order on the rate case to ensure justice for ratepayers, hold the Fortis/Central Hudson accountable, and prevent utility behavior like this in the future."

County Executive Metzger applauded the creation of a \$4 million customer fund and requirements for independent monitoring of compliance, as well as potential enforcement actions in the future should the company fail to deliver monthly meter readings on schedule. Importantly, shareholders and not ratepayers will pay the costs of implementing monthly

meter reads. The County Executive had earlier pressed the PSC and DPS for both changes relating to meter reading—the switch to a monthly schedule and the assignment of those additional costs to shareholders. She also called for an independent audit of the billing system in a letter to the Commission in May 2023, and applauded the decision of the Commission several months later to install an Independent Billing Monitor at Fortis/Central Hudson.

The County's involvement in this issue stretches back to 2022, when former County Executive Pat Ryan held a hearing on Fortis/Central Hudson billing issues after receiving numerous complaints from residents, and successfully pressed for an investigation by DPS, which issued a scathing report of the company and its billing system in December 2022. In both the Ryan and Metzger administrations, the Office of County Executive has been pressing for remedies from regulators while working continuously with constituents, DPS Office of Consumer Services Staff, and Central Hudson in efforts to remedy billing errors and push for much needed change.

“As your County Executive and your Congressman, but most importantly, as your neighbor and fellow ratepayer, we’ve fought this battle against Central Hudson together for years. I always said we’d never back down until every ratepayer was made whole – today, we finally held them accountable,” **said Congressman Pat Ryan.** “This settlement, paid for solely by shareholders, and including direct relief for ratepayers, is a direct result of collective and relentless advocacy, particularly the tireless efforts of everyone at PULP. These multi-billion dollar monopolies have more than enough power and profits – today, we returned that power to Hudson Valley families. But the fight isn’t over yet. I promise I’ll continue to hold their feet to the fire and stand up against Central Hudson’s outrageous proposed rate hikes.”

“My constituents and I are relieved to see a long overdue decision come out of the investigation of Central Hudson’s billing practices that have affected thousands since 2021,” **said Assemblymember Sarahana Shrestha.** “While we find this to be a welcome step, we’ll be digging into the details to fully analyze the merit of the settlement and ensure there are robust monitoring protocols included. I want to note that we recently heard from a ratepayer who lives in an RV and didn’t get a bill for over a year, and when they finally did, it was for \$6,000. With unresolved billing issues like these, we urge both the PSC and Central Hudson to pause account shutoffs until every case has been resolved. Considering how much time we’ve given Central Hudson to fix the issues, the same consideration should be given to customers so that they can catch up with their bills without losing access to energy.”

"The decision today by the PSC is a major step forward in finally holding Central Hudson accountable for its negligent billing practices that have been plaguing customers since 2021," **said Senator Michelle Hinchey.** "Despite having years to fix its system, Central Hudson has passed the buck and, in doing so, has failed to take accountability or right the wrongs they have caused. This settlement finally forces Central Hudson to change its practices while also protecting ratepayers by ensuring that shareholders will be the ones paying this cost. While this ruling forces a systemic change within Central Hudson, it does not change the fact that individual customers have been harmed, with many continuing to face billing problems still today. The process for individuals to seek justice directly with the PSC still stands, and those affected should file independent cases with the Department of Public Service (DPS). This settlement reinforces what we've been fighting for since 2021 when we introduced the bill to ban estimated billing once and for all: that Central Hudson has failed in their responsibility to provide reliable service to their customers and must work to regain the trust of Hudson Valley residents. I thank the PSC for listening to our calls for action, for their diligence, and for their commitment to holding Central Hudson accountable while doing everything within their purview to ensure that this never happens again."

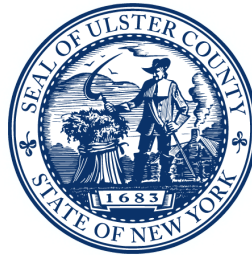
"Today's settlement announcement is a major step forward to hold Central Hudson accountable and rectify the issues that have plagued customers since the fall of 2021. We thank County Executive Metzger and all of the other elected officials, community-based organizations, and individual customers whose stories and efforts were instrumental in helping the Department and Commission understand the experiences of customers. PULP will continue to monitor these developments closely and ensure that the principles of accountability and compliance are upheld," **said Laurie Wheelock, Public Utility Law Project.**

Included in the settlement are the following measures:

- Shareholders must pay the more than \$35.3 million spent over the last two and a half years to remedy problems with the company's customer information and billing system.
- Shareholders will pay \$4 million into a customer fund to be allocated by the Commission.
- The company will not challenge approximately \$8.75 million in negative revenue adjustments as a result of missed customer service metrics, largely stemming from the billing system failures.

- Shareholders have incurred more than \$8.2 million in costs associated with back-billing credits to customers that were related to the billing system problems. The company continues to be obligated to provide back-billing credits when warranted if future cases arise.
- Shareholders will pay costs incurred and projected to be incurred to implement monthly meter readings (estimated to be \$6.3 million).
- Shareholders will pay up to \$2 million in additional payments in the event the company does not implement monthly meter readings by October 31, 2024.

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