

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission As to the
Rates, Charges, Rules and Regulations
of Central Hudson Gas & Electric for Electric Service.

Case 23-E-0418

Proceeding on Motion of the Commission As to the
Rates, Charges, Rules and Regulations
of Central Hudson Gas & Electric for Gas Service.

Case 23-G-0419

ASSEMBLYMEMBER SARAHANA SHRESTHA'S RESPONSE
TO PULP'S MOTION TO DENY THE
CENTRAL HUDSON GAS & ELECTRIC'S
RATE CASE FILINGS

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November 1, 2023

I. Introduction

Assemblymember Sarahana Shrestha respectfully submits this response in support of the Public Utility Law Project's ("PULP") Motion to Deny Central Hudson Gas and Electric's rate case filings, filed on October 31, 2023. Assemblymember Shrestha also supports PULP's request for a hearing on the merits of the motion.

II. Argument

Central Hudson is actively under investigation for large scale billing errors that affected thousands of ratepayers, and continue to affect many of our constituents. During this investigation and in the months of scrutiny leading up to it, Central Hudson has not demonstrated the ability to adequately stabilize its operations. We agree with PULP that it is premature for Central Hudson to believe that the outstanding issues will be resolved by the end of 2023.¹ Given the persisting billing errors our constituents have reported and the unknown determinations of the ongoing investigation and audits, we question the reliability of several of Central Hudson's assessments, and we find it is in the public interest for the Commission to deny Central Hudson's rate case filings.

Our office hears from our constituents daily looking for answers they were not able to get from Central Hudson, often not having heard back from the company at all. We also heard from more than three hundred constituents who came to the town halls we hosted after the rate cases were filed. Being stranded by an unresponsive customer service system is one of the biggest causes of distress and reluctance to pay. In May of 2023, one constituent saw eighty transactions in one day, with twenty-six bill reversals, twenty-five actual bills, seventeen other charges, and twelve credits. She has no confidence in paying what she has been told she owes until her bills have been verified to be correct. Several constituents have likewise shared with us that they are unwilling to pay their balances until the issues are confirmed to be resolved. As such, we share PULP's analysis that Central Hudson's notable "growing customer arrears," which is being used as justification for requesting a 9.8% authorized return on equity ("ROE"), is likely to have been significantly impacted by the aftermath of the Sept 2021 CIS launch, which would make much of the increased costs likely imprudent. Therefore, a rate case cannot proceed without final resolutions in ongoing proceedings.

Furthermore, Central Hudson states that as of October 13th, 2023, there were seven open PSC Complaint Cases in our Assembly district.² This count does not reflect the number of

¹ Case 23-E-0418 et. al., Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric for Electric Service; PULP's Central Hudson MOTion to Deny and Request a Public Hearing filed on October 31, 2023.

² Exhibit 1

constituents who have unresolved billing issues that our office is in contact with, and we share PULP's caution that the Department and the Commission should not base decisions on the current count of incoming complaints made to the DPS.

Informed by the final determinations that have not yet been made, including a public hearing on its implementation plan,³ Central Hudson will need to demonstrate competency across its operations before we can proceed with the rate cases. Before then, it would be reckless to continue down a path that leads to any increase in the burden on ratepayers who are already saddled with utility arrears. The average arrear has increased by at least two fold in our district, New York State Assembly District 103, and by as much as almost five fold in the Village of Red Hook.⁴ Illustrating a common story among our senior constituents is one who makes a fixed income of \$1,145/month, pays \$310/month for budget billing installment, and still has an outstanding budget billing adjustment of \$1,836.

In addition to taxpayer money being spent on this proceeding, ratepayers will be paying most, if not all, of an estimated \$1.55 million on expenses related to the rate cases.⁵ Whatever resources are available should instead be diverted into speeding up the current investigation, fixing the billing errors, and stabilizing Central Hudson's operations so that reliable conclusions can be drawn in any hypothetical rate case.

Under the circumstances of eroded trust, an active investigation, and unresolved billing errors, the only condition under which Central Hudson rate cases would be justified is if the outcome were a rate decrease. Unless the Commissioners intend to propose a rate decrease, the rate cases should be denied altogether.

III. Conclusion

The current investigation must be completed and all pending issues be resolved before proceeding with the Central Hudson rate cases. Given that the utility is granted a license to operate as a monopoly, and its parent company Fortis paid \$1 billion in dividends to shareholders in 2022,⁶ Central Hudson can afford to continue operating without the rate cases. Our office requests a timely decision on PULP's Motion to Deny Central Hudson Gas and Electric's rate case filings, filed on October 31, 2023, and we ask for a hearing on the merits of the motion.

Should the Commission proceed with the rate case through confidential settlement, our office intends to continue as an active party.

³ 21-M-0541, Central Hudson, Request for Nondisclosure.

⁴ Exhibit 2

⁵ Exhibit 3

⁶ Fortis, 40-F (Registration statement) EX-99.3, SEC EDGAR, Filed February 10th, 2023, <https://www.sec.gov/Archives/edgar/data/1666175/000166617523000014/a2022annual-993mda.htm>

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