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John B. Rhodes, Chair

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Central Hudson Agrees to Make Customer Service Improvements

ALBANY — The New York State Public Service Commission (Commission) today, in response to a complaint by a low-income advocacy group, announced that Central Hudson Gas & Electric Corporation has agreed to modify its procedures regarding scheduling of terminations of utility service to prioritize termination activity on accounts with highest and oldest arrears. The Commission also said the utility has agreed to revise training materials for customer service representatives to ensure they provide appropriate guidance for transferring debts where the applicant or customer claims identity theft, and that the company will provide additional training to ensure employees handle complaints in a manner consistent with the state's utility consumer protection rules and the company's training and reference materials.

“Given the gravity of the allegations, staff conducted a careful and diligent investigation,” **said Commission Chair John B. Rhodes.** “Staff reviewed the company's practices, written policies, procedures, and training materials and found them to be consistent with the most important consumer protection requirements. Further, staff found no evidence of racial discrimination and learned that the company does not retain information on its customers' ethnic background. However, staff found operational improvements that should be implemented.”

Today's announcement by the Commission finalizes a Department of Public Service staff investigation initiated at the request of Poughkeepsie-based Nobody Leaves Mid-Hudson that asked for a formal review of collection practices of Central Hudson, which included allegations of transferring of debts to parties who are not legally responsible for them, failing to negotiate deferred payment agreements in good faith, and failing to follow required shut-off procedures, especially in cases of medical emergencies.

Central Hudson performed 11,304 residential terminations in 2016, approximately 4.3 percent of its total residential customers. This is higher than the average rate of all New York State utilities, which was 3.1 percent. This suggests that Central Hudson may pursue termination somewhat more aggressively than other utilities. In addition, the average amount owed at termination was \$871, which was lower than the average for all utilities, which was \$1,021.

After a detailed and thorough investigation, Staff's review shows that Central Hudson is in compliance with the Home Energy Fair Practices Act (HEFPA), the primary source of energy consumer protection in New York. However, staff's investigation identified certain opportunities to further improve termination processes and procedures.

As part of its investigation, staff conducted a detailed review of complaint records involving Central Hudson customer complaints, including complaints made by or on behalf of the individuals named in the petition and supporting documents. Staff conducted extensive discovery of Central Hudson. In addition to information on specific cases, data sought by staff included termination statistics, broken down by zip code, by month and year, and stated separately for Home Energy Assistance Program (HEAP) recipients.

Staff found no evidence of trends suggesting systemic improper practices or procedures, nor any evidence that would suggest the prevalence of widespread HEFPA violations. In many instances, disputes between customers and the company arose or were prolonged because of delays or failures by customers in providing appropriate documentation.

However, the training materials regarding transferred balances do not appear sufficient to provide consumer service representatives (CSRs) with guidance in handling all situations, particularly in regards to preventing identity theft. Central Hudson has agreed to develop revised training and reference materials for its CSRs that provide appropriate guidance for transfer of debts where the applicant or customer claims identity theft.

Central Hudson has also agreed to develop revised training and reference materials for its customer service representatives that provide appropriate guidance for transferring debts where the applicant or customer claims identity theft. In consideration of the employee turnover rates experienced in the call center, the company also will take additional steps to ensure that CSRs are properly trained to handle customer contacts in a manner consistent with the company's training and reference materials.

Staff's report may be obtained by going to the commission documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-M-0756 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's files office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.