Central Hudson Audit, Storm Response and Billing Review Underway

Audit Will Examine Information Systems Planning and Implementation, Improvements to Support Clean-Energy Goals, and Contractor Oversight

Central Hudson’s Preparation and Response to February 4 Winter Storm Being Examined

Ongoing Customer Billing Snafu and Recent Bill Surge Under Regulatory Microscope

ALBANY — The New York State Public Service Commission (Commission) today approved a third-party independent consulting company to conduct a comprehensive management and operations audit of Central Hudson Gas & Electric Corporation. In addition, the Commission announced a review of Central Hudson’s response to the February winter storm that left more than 67,000 homes and businesses without power and it is investigating ongoing billing problems related to the company’s recent upgrade to a new billing system that resulted in many customers not receiving timely monthly bills.

“The audit we have launched will examine Central Hudson’s electric and gas operations in New York State,” said Commission Chair Rory M. Christian. “The audit will also provide an assessment of Central Hudson’s grid modernization efforts and examines how the company plans for and manages projects related to the Climate Leadership and Community Protection Act or CLCPA. We are also closely examining Central Hudson’s storm response efforts, and its ongoing customer-billing problems.”

The audit will also examine governance, management, and customer operations, including bill estimation processes. The law provides the Commission the authority to conduct management and operations audits of natural gas and electric utilities. For large electric and natural gas utilities, such as Central Hudson, the law requires such audits at least once every five years.

The Commission will also be examining Central Hudson’s actions regarding the storm that hit New York State on February 4, 2022. About 67,400 Central Hudson residential and commercial customers lost service as a result of that storm, and it took about four days to fully restore all of the customers.

As the Commission stated publicly during its February session, it requires detailed scorecard reports from Central Hudson based on the length and severity of the recent winter storm. These publicly filed scorecards serve as a tool for the quantitative assessment of New York State’s electric utilities’ performance in restoring power to customers after a significant outage. These reports will be thoroughly reviewed by staff, and a determination will be made regarding next steps.
In terms of the recent supply price bill surge, on March 1, 2022, the Commission sent letters to all of New York's major electric and gas utilities, including Central Hudson, requiring them to increase their outreach and education efforts with New Yorkers on the continuing surge in energy supply prices and the impact it will have on utility bills. The Commission sees this outreach as essential considering the increases to utility bills customers are experiencing as a result of the rising cost of fossil fuels.

In addition, Governor Kathy Hochul launched an enhanced statewide campaign to increase relief efforts for low-income customers. New York State is also providing $250 million in additional federal funding to help low-income households pay heating utility arrears up to $10,000 per household. Additionally, $58 million in emergency HEAP funding remains available to help low- and middle-income New Yorkers avoid having their home heating disconnected or their heating source exhausted amid fuel price increases this winter.

Finally, Department of Public Service staff are aware of recent billing and customer service issues faced by customers of Central Hudson. An on-going independent investigation is underway. The agency is actively working with the utility to ensure these issues are resolved as soon as possible and appropriate plans are put in place to prevent these situations in the future. The management audit, which will be conducted by Overland Consulting, includes a review of customer information system changes since the last audit and the impact of such changes on customers.

The Poughkeepsie-based Central Hudson serves approximately 309,000 electric customers and 84,000 natural gas customers in the mid-Hudson region.

Today's decisions may be obtained by going to the Commission Documents section of the Commission’s Web site at www.dps.ny.gov and entering Case Numbers 21-M-0541 [audit] and 22-00497 [storm investigation] 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.

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