

**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 Corporation 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 Corporation for Gas Service.**

Case 23-G-0419

**INITIAL BRIEF OF
TOWN OF OLIVE**

Dated: March 1, 2024

Simon Strauss

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**INITIAL BRIEF OF

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I. INTRODUCTION

A. Overview

The Town of Olive has a simple request on its behalf and on behalf of the residents and businesses of Olive to the Administrative Law Judges and the Public Service Commission; deny any rate increases until Central Hudson can conclusively demonstrate that its billing and customer service issues have been resolved.

Yes, the utility should earn a fair return for its stockholder – IF and ONLY IF it provides a fair service to its customers.

Central Hudson, through the ineptness of the implementation of its new billing and customer care system, has forfeited the trust of its customers as conclusively demonstrated in the release on February 28, 2024¹ of its 2023 Customer Satisfaction Index – a decrease from 2022’s 66.7 to 63.5, both measures significantly below the penalty threshold of 89.0 and the utility’s own achievement in 2020 of 92.0. How are the mighty fallen.

Further, as demonstrated both directly to the Town of Olive in its own recent electrical bills and to the residents of Olive through their experience with the bills they have received from Central Hudson, the Company’s woeful billing performance continues unabated.

¹ <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?Mattercaseno=20-E-0428>, Item number 242.

The Town of Olive would entertain participating in a new rate case to provide a fair return to the utility – when and only when the utility can demonstrate that it has put its billing system issues behind it, has focused its management’s attention on providing quality customer service rather than its and its customers’ and regulators’ time and expense of litigating rate cases.

X. CUSTOMER SERVICE

A. Customer Service Performance Metrics

2. Residential Customer Satisfaction

Town of Olive residents’ comments to the Town and to elected officials at public meetings and in direct calls to the Town Office staff indicate widespread dissatisfaction in Olive with Central Hudson’s continuing billing issues.

During the pandemic 2020-23 the Central Hudson electric billing to the Town of Olive was largely incomprehensible. Telephone calls by the Town of Olive to Central Hudson for information were inconclusive and often contradictory. The Town of Olive paid the electric bills in good faith to keep the lights on. As a municipality the Town of Olive has a legal and ethical obligation to its residents to provide accurate accounting of its paid bills. The Town staff does not have the expertise to decipher or account for Central Hudson’s erratic billing during this period.

The recently (February 28, 2024) released Customer Satisfaction Index (“CSI”) points starkly to the utility’s loss of credibility with its customer base. A utility that in 2020 earned a CSI of 92.0 now has a CSI of 63.5, over 25 points below the penalty threshold of 89.0 percent.

C. Customer Bill Credits

2. Adjusted Bill Credit

The Town of Olive itself and its customers have complained repeatedly about incoherent billing from Central Hudson, exemplified by the unexplained “Adjustments” of between 11% and 18%² of a sub-account on a recent (November 2023) electric bill, as admitted by the utility under rate case cross-examination.³

To the extent that the utility bill has unexplained Adjustments that amount to between 11% and 18% of the bill; how can the utility with confidence say that its base level revenues from which it seeks double digit increases are in fact correct?

² Exhibit 569

³ Transcript, January 31, 2024; at 3192 (lines 2 through 8)

XV. CONCLUSION

The Town of Olive wishes for a good relationship between its utility supplier, itself and its residents and businesses, marked by quality customer service and fair costs.

Since the changeover to the new billing system Central Hudson's customer service has deteriorated, its billings have become impenetrable unless the Town's staff spend time that as a small Town they do not have seeking explanations for "Adjustments" on the electric bill that can run anywhere from 11% to 18% of a sub-account.

It is incumbent on Central Hudson to put its own house firmly in order before it seeks rate increases; it is incumbent on the Public Service Commission to fulfil the mission articulated on its website⁴ of "The primary mission of the New York State Department of Public Service is to ensure affordable, safe, secure, and reliable access to electric, gas, steam, telecommunications, and water services for New York State's residential and business consumers, at just and reasonable rates."

Nowhere does that mission statement say that a utility's Customer Satisfaction Index should fall more than 25 points below the rate at which penalties are imposed while simultaneously being awarded by the Public Service Commission with double digit rate increases.

The Town of Olive respectfully requests that the ALJs recommend denial of Central Hudson's proposed rate increases entirely and that the Public Service Commission affirm the ALJs' recommendations.

Respectfully submitted,

/s/ Simon Strauss
on behalf of:
Town of Olive

March 1, 2024

⁴ <https://dps.ny.gov/about-us>