



Department  
of Public Service

# **22-M-0645**

# **Central Hudson Billing Investigation**

## Case History:

- September 1, 2021: Central Hudson deployed its new Customer Information and Billing systems across its service territories (or “SAP Go-Live”)
- April 5, 2022: DPS Office of Investigations and Enforcement (OIE) commenced an investigation into cause of complaints and complications related to billing, including
  - Delayed Bills
  - Overcharges
- December 15, 2022: OIE released its Investigation Report finding apparent failures and recommending a Prudence and Enforcement Proceeding.
- December 15, 2022: The Commission ordered Central Hudson to respond to report and to file a Monthly Meter Reading Plan.

## Case History:

- January 17, 2023: Central Hudson responded to OTSC acknowledging system problems but contested allegations of PSL violations. The Company also filed a proposed Monthly Meter Reading Plan which called for completion in 2026.
- July 27, 2023: DPS and Central Hudson entered into an Interim Agreement which required the Company to subject itself to evaluation by an Independent Monitor (PA Consulting). The Company also filed an accelerated Monthly Meter Reading Plan which called for completion by end of calendar year 2024.
- March 1, 2024: Independent Monitor provided its final report to Staff.
  - Central Hudson has resolved critical billing issues and reached a stable state.
  - The Company could face future foundational issues which should be addressed through strategic changes and personnel enhancements.

## Additional Background:

- March 15, 2024: Commission approved an implementation plan resulting from the 2023 Operations and Management Audit Report of Central Hudson, case 21-M-0541.
  - audit report by Overland Consulting recommended company shift to monthly meter reading to better determine actual monthly consumption and align it with energy prices.
- 2023 Q3-2024: pilot testing of monthly meter reading program

# Overall Value of Investigation & Settlement:

	<b>CATEGORY</b>	<b>VALUE (in millions)</b>
1	Prudence - Money Spent to Resolve Billing System Issues	35.31
2	Negative Revenue Adjustments (2021-2023)	8.75
3	Backbilling Credits	8.21
4	Monthly Meter Reading Implementation (Elimination of Customer Surcharge in 2024-2025 rate case)	4.10
5	Customer Benefit Fund	4.00
6	Monthly Meter Reading Implementation (Spent through June 30, 2024)	2.22
7	Potential Stipulated Additional Customer Benefit – Monthly Meter Reading Implementation Timeline	2.00
	<b>Total Value</b>	<b>\$64.59</b>



## Note:

- This Settlement Agreement does not impact Central Hudson's obligation to continue to remedy every customer who has been billed improperly.
- Central Hudson must continue to make customers whole for billing problems that are identified and confirmed.
- Office of Consumer Service (OCS) continues to review and vet all individual customer billing complaints presented to it.

# Questions?