

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on August 17, 2023

COMMISSIONERS PRESENT:

Rory M. Christian, Chair  
Diane X. Burman, concurring  
James S. Alesi  
Tracey A. Edwards  
John B. Howard  
David J. Valesky  
John B. Maggiore

CASE 22-M-0645 - Proceeding on Motion of the Commission  
Concerning Central Hudson Gas & Electric  
Corporation's Development and Deployment of  
Modifications to its Customer Information and  
Billing System and Resulting Impacts on Billing  
Accuracy, Timeliness, and Errors.

ORDER ADOPTING TERMS OF INTERIM AGREEMENT

(Issued and Effective August 18, 2023)

BY THE COMMISSION:

This Order adopts the terms and conditions of an  
Interim Agreement (Agreement) executed by Central Hudson Gas &  
Electric Corporation (Central Hudson, or the Company), and the  
Department of Public Service (DPS) Office of General Counsel  
(OGC). The Agreement, attached to this order as Appendix 1,  
relates to an Order to Show Cause issued by this Commission on  
December 15, 2022. The Agreement has been jointly submitted  
for our review and approval by Department Staff and Central  
Hudson.

FACTUAL BACKGROUND

On September 1, 2021, Central Hudson deployed a new Customer Information and Billing System. In the months following implementation, Central Hudson customers complained to local officials and to the New York State Department of Public Service (Department or DPS) about excessive and delayed bills, and a lack of customer support by the Company. These customer complaints increased during the late fall and winter of 2021-2022.

Accordingly, on April 5, 2022, the DPS Office of Investigations and Enforcement (OIE) commenced an investigation into the cause of the complaints and complications related to Central Hudson's customer and billing system upgrade.

The investigation resulted in a report (OIE Report) which was filed on December 15, 2022, that included, among other things, findings that Central Hudson's customer information and billing system was riddled with defects at launch (go-live), resulting in overcharges and delayed bills for thousands of customers. OIE's report identified and documented a multitude of apparent missteps by the Company including a failure to adequately test the system, failure to properly resource the project, and a failure to properly train staff. The OIE Report also recommended that the Commission require the Company to conduct actual reads of customer meters each month and require Central Hudson to discontinue alternative month estimates.

As a result of the OIE Report, this Commission issued an Order to Show Cause (OTSC) on December 15, 2022, directing Central Hudson to respond to the allegations contained within the OIE Report and to show cause why penalty actions and prudence proceedings should not commence. Additionally, the Commission ordered Central Hudson to submit to Department Staff (1) a plan to adjust its billing practices to conduct

actual meter reads each month for its electric and gas service customers and to discontinue its practice of alternate month billing estimates for its customer accounts, and (2) a study evaluating if monthly meter reading and an end to alternate-month bill estimates is in the interests of the Company's customers.

On January 17, 2023, Central Hudson responded to the Order to Show Cause. While the Company contested some of the findings and allegations contained within the OIE Report, it also acknowledged billing system impacts on customers stating, "Central Hudson recognizes that immediately after launching its new SAP-based Customer Information System ('CIS') on September 1, 2021, there were issues with its new SAP CIS ('SAP System'). These issues resulted in impacts to a portion of Central Hudson's customers, including delayed and inaccurate invoices, confusion, and anxiety. Central Hudson has been humbled by the identification of these issues and the resulting impact on customer satisfaction."<sup>1</sup>

On January 17, 2023, Central Hudson also filed a proposed Plan to Implement Monthly Meter Reading. In its proposal, the Company stated, "[s]ince the inception of monthly billing in July 2016, Central Hudson customers have consistently expressed dissatisfaction with bi-monthly meter reading estimates, as the estimates are a source of frustration and confusion. The Company believes converting to actual monthly

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<sup>1</sup> Case 22-M-0645 - Proceeding on Motion of the Commission Concerning Central Hudson Gas & Electric Corporation's Development and Deployment of Modifications to its Customer Information and Billing System and Resulting Impacts on Billing Accuracy, Timeliness, and Errors, Response to Order to Commence Proceeding and Show Cause, p. 1 (dated January 17, 2023).

meter reads is a valuable step in reducing customer discontent.”<sup>2</sup> Central Hudson’s proposed monthly meter plan called for a phased rollout which would not begin until on or about August 1, 2025.<sup>3</sup> While not related to this particular Matter, it is noteworthy that Central Hudson’s lack of monthly meter reading was the subject of some concern expressed in a Comprehensive Management and Operations Audit completed in February 2023.<sup>4</sup> Among other things, the audit recommended that the Company, “[b]egin reading meters on a monthly basis to better align billed consumption with fluctuating energy supply process and reduce the issues created in SAP by pairing monthly bills with bi monthly reads.”<sup>5</sup>

Thereafter, and in contemplation of this agreement, in July 2023, Central Hudson submitted a new and revised proposed monthly meter reading plan to DPS Staff which greatly accelerated the timeline for implementing monthly meter reading.

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<sup>2</sup> Case 22-M-0645 - Proceeding on Motion of the Commission Concerning Central Hudson Gas & Electric Corporation’s Development and Deployment of Modifications to its Customer Information and Billing System and Resulting Impacts on Billing Accuracy, Timeliness, and Errors, Plan to Implement Monthly Meter Reading (dated Jan. 17, 2023), p. 3.

<sup>3</sup> *Id.*, at p. 5.

<sup>4</sup> Case 21-M-0541 - Proceeding on Motion of the Commission to Conduct a Comprehensive Management and Operations Audit of Central Hudson Gas & Electric Corporation, Comprehensive Management and Operations Audit of Central Hudson Gas & Electric Corporation (Item 13) (prepared by Overland Consulting) (dated February 2023).

<sup>5</sup> *Id.*, at 1-15. The audit reported a 54% deployment rate for automated meter read (AMR) meters as of mid-2022. *Id.*, at 8-5. Following its review, the Commission authorized the release of the Audit Report. *Id.*, Order Releasing Audit Report (dated April 20, 2023).

SUMMARY OF THE PROPOSED INTERIM AGREEMENT

Under the terms of the proposed Agreement, Central Hudson has agreed to continue to thoroughly investigate all complaints of billing errors and to continue to promptly refund overpayments to any and all customers who have been overcharged. In addition, the Company has agreed to subject itself to targeted testing and verification of system stability and capability under DPS Staff-selected third-party independent monitor and oversight at shareholder expense.<sup>6</sup> The Agreement calls for the third-party monitor to issue a report containing its findings and recommendations within approximately 6 months. Another key aspect of this agreement is that Central Hudson has agreed to accelerate its plans to read customer meters on a monthly basis with testing to begin as early as August of 2023 and with full implementation expected in calendar year 2024.<sup>7</sup>

The Agreement requires Central Hudson to file a monthly report with Staff reflecting any changes to the apparent downward trends in defects and billing exceptions. The Company is required to continue to monitor customer service performance metrics and to report any changes to the currently reported downward trends in the percentage of current bills, percentage of bills requiring adjustments, percentage of actual bills replaced with estimates, call service levels, average wait-times, and percentage of calls abandoned.

Lastly, the Company is required to continue its

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<sup>6</sup> Paragraph 2(d) of the Interim Agreement includes a ceiling on shareholder responsibility for monitor costs unless additional expenses are deemed reasonably necessary by the Department. Should the costs approach the ceiling, the Commission can review and could approve any proposed modification.

<sup>7</sup> Central Hudson's original January 2023 plan called for testing to begin in November of 2024 with full rollout delayed and not occurring until February of 2026.

Customer Experience Training Enhancement Initiatives which commenced in January 2023 and is required to provide quarterly written updates to Staff related to program development and proficiency measures.

It is important to note that the Agreement does not finally resolve issues raised in the Order to Show Cause and any potential enforcement or prudence proceeding.

#### DISCUSSION AND CONCLUSION

In reviewing the proposed Interim Agreement, the Commission looks to ensure that the agreement's terms are in the public interest. An appropriate compromise should be consistent with the environmental, social, safety, consumer, economic, and legal policies of the Commission and the State. Also, it should produce results that are within the range of reasonable results that would have likely arisen from a Commission decision in a litigated proceeding. An agreement likewise should endeavor to balance interests of ratepayers, shareholders, and public safety consistent with the applicable legal framework.<sup>8</sup>

Here, the Commission finds that the Agreement is in the public interest. As an initial matter, the Commission notes that the current proceeding involves potential enforcement and prudence claims presented by the DPS Office of Investigations and Enforcement. The Agreement does not address ultimate questions of liability. Instead, the Agreement provides a pathway to implement certain agreed upon interim measures that the parties agree would be appropriate for the unique and specific situation that gave rise to the OIE Report and the

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<sup>8</sup> These public interest inquiries are consistent with the considerations noted in, for example, Cases 90-M-0255, et al., Procedures for Settlements and Stipulation Agreements, Opinion 92-2 (issued March 24, 1992).

Order to Show Cause. As provided by the Agreement, the Company's recent submission of the accelerated monthly meter reading implementation plan, further responds to and complies with the Commission's December 15, 2022 order requiring the Company to submit a plan to conduct actual meter reads every month. The Commission further recognizes that the interim measures were voluntarily entered into by counsel for the Company and the Department's Office of Investigations and Enforcement.

In light of this particular context and having now reviewed the Interim Agreement, the Commission holds that the proposed Agreement provides Central Hudson ratepayers with the substantial benefit of a plan for the Company to begin reading meters on a monthly basis in relatively short order. The Agreement also requires the Company to continue to investigate overcharges and to promptly issue refunds. Moreover, the Agreement provides for the installation of an independent third-party oversight monitor to assure system stability. The Agreement provides Staff with additional reports to assist in verification of system-improvements and SAP capabilities and requires the Company to continue its efforts with respect to improvement of the customer experience and education.

The Agreement represents a set of interim or preliminary remedies and verification monitoring measures that provides an equitable and fair compromise between the parties and is consistent with the environmental, social, and economic policies of the Commission. The Commission finds that the Agreement's terms and conditions are within the range of reasonable outcomes that could be expected to be included in a litigated proceeding and provides a benefit to ratepayers consistent with applicable provisions of PSL §§25, 25-a, and 26. Therefore, consistent with the above discussion, the Commission hereby adopts and approves the Agreement.

The Commission orders:

1. The terms of the Interim Agreement, which is attached to this Order as Appendix 1, are adopted.
2. In the Secretary's sole discretion, the deadlines set forth in this order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.
3. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary



# **Appendix 1**

Interim Agreement

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**Matter 22-M-0645**: Proceeding on Motion of the Commission Concerning Central Hudson Gas & Electric Corporation’s Development and Deployment of Modifications to its Customer Information and Billing System and Resulting Impacts on Billing Accuracy, Timeliness, and Errors.

**INTERIM AGREEMENT**

**WHEREAS**, this Interim Agreement (“Interim Agreement”) is by and between the New York State Department of Public Service (“DPS” or “DPS Staff”) and Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) (each individually a “Signatory Party” and, collectively, the “Signatory Parties”);

**WHEREAS**, the purpose of this Interim Agreement includes: verification of Company data used as the basis for monthly metrics included in the Company’s System Performance Dashboard (“Dashboard”); review and examination of the capability and functionality of the Company’s customer information and billing system (“SAP System”), including any modifications made to the SAP system since September 1, 2021; and review of the integration of monthly meter reading into the SAP System and the timeline of such action;

**WHEREAS**, this Interim Agreement relates to but does not resolve allegations arising from the Company’s development and deployment of the SAP System contained in the Order to Show Cause (“Order to Show Cause”) filed in Case 22-M-0645 and the report filed in the same case by the DPS Office of Investigations and Enforcement (“OIE”), issued on December 15, 2022;

**WHEREAS**, the OIE and other DPS Staff have continued to investigate allegations related to the Company’s SAP System through Case 22-M-0645;

**WHEREAS**, the Company has demonstrated efforts to rectify billing and other impacts resulting from the deployment of the SAP System;

**WHEREAS**, the Company has invested time and funds in an effort to improve stability of the SAP System;

**WHEREAS**, the Company seeks to demonstrate billing system accuracy, stability, and timeliness;

**WHEREAS**, Central Hudson contends that the Dashboard shows that billing performance associated with the SAP System has shown recent improvements, and the Signatory Parties agree that Central Hudson customers, DPS Staff, and Central Hudson would benefit from the assurances of an expert, independent third-party examination of the Company’s customer information and billing system data utilized by the Dashboard;

**WHEREAS**, a March 2023 Public Service Commission-directed audit recommended, among other things, that Central Hudson transition to reading customer meters on a monthly basis;

**WHEREAS**, the Signatory Parties agree that every month meter reads would provide significant benefits to customers and would provide greater confidence in Company billing practices;

**WHEREAS**, Central Hudson has submitted to Staff an updated Monthly Meter-Reading Plan (“Updated Meter Reading Plan”) with an accelerated implementation timeline;

**NOW, THEREFORE**, in consideration of the mutual covenants, promises, agreements, and representations set forth herein, the receipt and sufficiency of which are hereby agreed to and acknowledged, the Signatory Parties, intending to be bound, agree as follows:

1. The Company shall continue to thoroughly investigate all complaints of billing errors and shall continue to promptly refund overpayments to any and all customers who have been overcharged as defined by the Public Service Law, 16 New York Codes, Rules and Regulations parts 11 and 13, and Central Hudson’s tariffs.
2. The Company agrees to targeted testing and verification of the SAP system, with the objective of confirming the accuracy of current and prospective billing associated with the SAP System, under a DPS Staff-selected independent third-party monitor, which will include the following:
  - a. The Company agrees to the engagement and scope of an independent monitor as set forth in Attachment A hereto.
  - b. Said oversight monitor shall have access to Company information, data, and staff commensurate with that of DPS Staff.
  - c. Said oversight monitor shall issue a final report containing findings and recommendations within the time frame specified in Attachment A.
  - d. The Company, and not ratepayers, will bear the cost of the third-party monitor up to an amount not exceeding \$750,000, unless additional expenditures are deemed reasonably necessary by DPS.
  - e. The Company agrees to implement monthly meter-reading consistent with the Updated Meter Reading Plan (included in Attachment B hereto). To the extent practicable, and in consultation with DPS Staff and the third-party oversight monitors described herein and in Attachment A, the Company will adhere to the timeline described in the Updated Meter Reading Plan.
3. The Company shall continue to monitor system defects and shall file a monthly written report to DPS reflecting any change in the current downward trends in defects and billing exceptions including the:
  - a. Number of new defects,
  - b. Number of defects resolved, and
  - c. Number of billing exceptions documented (BPEMs).
4. The Company shall continue to monitor customer service metrics as part of the Dashboard, which it shall file monthly with DPS reflecting any change in currently observed improvements including the:
  - a. Percentage of current bills,

- b. Percentage of bills requiring adjustments,
  - c. Percentage of actual bills replaced with estimates,
  - d. Call service levels, and
  - e. Average wait-times and percentage of calls abandoned.
5. The Company shall continue its Customer Experience Training Enhancement Initiatives, which commenced in January 2023 and shall provide quarterly written updates to Staff related to program development and proficiency measures.
6. The monthly written reports referred to herein shall be signed and verified by a senior officer or counsel for the Company.
7. Release From Actions:
- a. Resolution of Settled Matters: This Interim Agreement does *not* finally resolve issues, concerns, claims, and actions raised and/or asserted, or that could properly have been raised and/or asserted by either Signatory Party, in connection with or as a result of SAP System Modifications or other issues included in the December 2022 OIE report or Order to Show Cause.
  - b. Voluntary Interim Agreement: This Interim Agreement has been entered into voluntarily by the Signatory Parties.

## **8. Governing Law**

This Interim Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of laws thereof.

## **9. Authorization**

The execution, delivery, and performance of this Interim Agreement by each Signatory Party hereto is within its corporate or statutory powers, as appropriate, has been duly authorized by all necessary corporate or statutory action, and does not and will not: (i) require any governing or governmental consent or approval except as required in Paragraph 10 below, (ii) contravene its organizational documents or enabling legislation, or (iii) violate applicable law.

## **10. Effectiveness of the Agreement**

This Interim Settlement is subject to ratification or approval by the New York State Public Service Commission and will have no effect in the absence thereof. If the Commission does not approve this Interim Agreement in its entirety, without modification, Central Hudson may withdraw its acceptance by serving written notice on the Commission and shall be free to pursue its position without prejudice or consequence in Case 22-M-0645 or any other case or matter before the Commission. If the Commission approves this Interim Agreement or modifies it in a manner acceptable to Central Hudson, the Signatory Parties intend that this Interim Agreement thereafter be implemented in accordance with its terms.


## **11. Counterparts**

This Interim Agreement is being executed in counterpart originals and will be binding on

each Signatory Party when the counterparts have been executed.

**IN WITNESS WHEREOF**, each of the Signatory Parties hereto has executed this Interim Agreement as of the day and year written below.

**STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE**

By:  Date: July 27, 2023  
Title: Director OIE + Deputy General Counsel  
Office of Investigations and Enforcement

**CENTRAL HUDSON GAS AND ELECTRIC CORPORATION**

By:  Date: 7/27/2023  
Title: CEO + President

**Attachment A**

Engagement and Scope of Independent Monitor Regarding SAP Billing System and Integration of Monthly Meter Reads

## Attachment A

### **Engagement and Scope of Independent Monitor**

(Unless otherwise indicated, defined terms in this Attachment A shall have the meaning ascribed to them in the Interim Settlement Agreement)

1. **Independent Monitor** – Subject to consultation and agreement with DPS Staff, Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) agrees to retain, at Central Hudson’s expense, an Independent Monitor to perform a scope of work related to the Company’s SAP System and Updated Meter-Reading Plan, as defined in the Interim Agreement (“Interim Agreement”).
2. **Qualifications** – The Independent Monitor shall possess the appropriate expertise and qualifications including, but not limited to, (1) expertise and direct experience with relevant computer codes and platforms (including, but not limited to, SAP products), implementation of enterprise-wide application integration, and resource planning related to electric and utility company billing practices, and (2) appropriate professional licenses, certifications, and/or other accreditations that are current, active, and in good standing (i.e., appropriate credentials). To provide necessary expertise and experience, the Independent Monitor may include more than one individual or entity.
3. **Scope of Work and Review** – Central Hudson agrees that the Independent Monitor’s scope of work and review related to the Company’s SAP System and Updated Meter-Reading Plan are set out below:
  - i. Review and verify the accuracy of Central Hudson’s SAP System. As part of this review, the Independent Monitor shall review and verify if the SAP

System properly, accurately, and timely issues bills for energy usage by customers in the Central Hudson service territory as well as review of any current SAP System defects or business process exceptions (or BPEMs).

- ii. Review and evaluate Central Hudson's proposal to initiate monthly meter reading and transmit bills based on such monthly meter reading to Central Hudson's customers. This review shall include, but not be limited to, whether the inclusion of monthly meter-read data and the discontinuation of alternate month bill estimates would impact the SAP System and its operability. The review shall also include and take account of the recommendations concerning meter-reading scheduling and the billing system contained in the 2023 Management and Operations Audit (prepared by Overland Consulting) as well as automatic meter reading (AMR) meter market penetration.

4. **Company Cooperation** – Central Hudson shall cooperate fully with the Independent Monitor and with all reasonable requests within the scope of the Interim Agreement, including making information and documents available as requested by the Independent Monitor, and permitting, facilitating, and requiring relevant Central Hudson employees and agents to supply such written or oral information and documents as may be reasonably requested, subject to the appropriate confidentiality protections as otherwise set forth herein or as may be agreed to by the Signatory Parties. Central Hudson shall instruct all its officers, employees, contractors, and agents (including, without limitation, its information technology staff, technology staff, and implementation consultants (to the extent within Central Hudson's authority, if any)) to cooperate with the Independent



Monitor and that a duty of candor applies to all communications any such person may have with the Independent Monitor except as to privileged communications. Central Hudson shall also make available to the Independent Monitor, subject to the scope of the Interim Agreement, manuals, reports, improvements, testing, training information and materials, and code adjustments related to the Company's SAP billing system. In addition, Central Hudson shall make available to the Independent Monitor all information concerning the implementation of the Updated Meter-Reading Plan. In addition:

- a. Central Hudson shall provide the Independent Monitor with desk and office space at Central Hudson's offices as necessary.
  - b. Central Hudson will provide the Independent Monitor with reasonable access to Central Hudson's Senior Management and other Company personnel, and appropriate affiliate personnel, to the extent of Central Hudson's authority, if any, in order to complete the scope of work set out herein and in the Interim Agreement. Central Hudson agrees that it will provide the Independent Monitor with reasonable access to the Company's books and records necessary to carry out the scope of the Interim Agreement.
5. **Term** – Central Hudson agrees that the Independent Monitor's engagement shall extend through June 30, 2024 ("Monitor Review and Report Period").
  6. **Cost** – The costs incurred for the Independent Monitor will be conducted at Central Hudson shareholder's expense, which amount shall not exceed \$750,000, unless additional expenditures are deemed reasonably necessary by DPS.
  7. **Report** – The Independent Monitor will prepare and deliver a written report describing the Independent Monitor's review and analysis.

- a. The Independent Monitor shall complete the written report on or before February 29, 2024.
  - b. The Independent Monitor will report the results of the review simultaneously and directly to Central Hudson's Senior Management and General Counsel and to the Directors of the New York State Department of Public Service's Office of Accounting, Audits and Finance ("OAAF") and the Office of Investigation and Enforcement ("OIE").
  - c. As it performs the scope of work and prepares its written report, the Independent Monitor will provide regular updates to, and communicate with, OAAF, OIE, and Central Hudson concerning the Independent Monitor's observations.
  - d. The Independent Monitor will meet with Senior Management of Central Hudson, OAAF, and OIE to review the Independent Monitor's Report; and Central Hudson, OAAF, and OIE shall have 14 calendar days within which to provide written comments to the Independent Monitor with respect to the Report. If Central Hudson, OAAF, or OIE believes that any recommendation in the Report is unreasonable or otherwise lacks a basis, Central Hudson, OAAF, or OIE may provide a written statement to the Independent Monitor regarding such matters.
8. **Regulatory Compliance** – Central Hudson agrees that separate and apart from the Independent Monitor's efforts to complete the scope of work and prepare and submit the Independent Monitor's Report, if the Independent Monitor obtains any evidence that reasonably reflects a violation of any provision of the Public Service Law, PSC regulations, or PSC orders, the Independent Monitor shall promptly notify Central Hudson's Senior Management in writing and Central Hudson's Senior Management shall promptly provide

that notification to OAAF/OIE in writing of the evidence of what the Independent Monitor believes to reflect a violation of the Public Service Law, PSC regulations, or PSC orders. Central Hudson shall provide to OAAF and OIE a written response to the Independent Monitor within 5 days including its plans to address the Independent Monitor's concern.

9. **Acknowledgment of Agreement** –The contract with the Independent Monitor shall be signed and executed by the Independent Monitor, Central Hudson, and DPS Staff.
10. **Absence of Overlapping Contracts with Independent Monitor** – Central Hudson agrees that, unless it receives permission, it will ensure that for the duration of the Monitor Review and Report Period, any firm with which the Independent Monitor is affiliated or of which it is a member, and any person engaged to assist the Independent Monitor in performance of its duties under this Attachment A and the Interim Agreement ,incorporated herein by reference, shall not enter into any other employment, consultant, attorney-client, auditing or other professional or financial relationship with Central Hudson, or any of its directors, officers, employees or agents acting in their capacity as such.
11. **Confidential Information** – Central Hudson may request that the Independent Monitor shall enter into and agree to be bound by a confidentiality agreement to protect any specific information that constitutes confidential business information, trade secret information, critical infrastructure, confidential customer information, personally identifiable information, or other confidential information consistent with NYSDPS practice, and the Independent Monitor shall not unreasonably decline to enter into such a confidentiality agreement.
12. **Resignation or Termination** – Central Hudson cannot terminate the Independent Monitor's engagement at any time prior to the expiration of the Monitor Review and Report Period without cause, but the Independent Monitor may resign at any time, provided that the

Independent Monitor gives Central Hudson and the Director of DPS/OAAF at least 30 days' advance notice of its resignation and, before the effective date of such resignation, prepares and submits a report to Central Hudson and the Director of DPS OAAF. If the Independent Monitor resigns it shall immediately cease work except that it may complete the Report to the extent it has sufficient information to do so. If the Independent Monitor is terminated for cause by Central Hudson, the Company shall, within five days, submit to DPS a written report documenting the cause(s) of the termination. Central Hudson agrees that if the Independent Monitor resigns, is unable to serve the balance of the Monitor Review and Report Period, or is terminated for cause, a successor shall be chosen promptly by Central Hudson, with the review and approval of the Director of DPS/OAAF to the extent that the cost of such engagement would fall within the cap amount referenced in section 6 subject to negotiation with DPS Staff. Central Hudson agrees that all provisions in this Attachment A that apply to the Independent Monitor shall apply to any Successor Independent Monitor. In addition, DPS may terminate the Independent Monitor for cause. If DPS terminates the Independent Monitor for cause, it shall, within five days, submit to Central Hudson a written report documenting the cause of termination.

**Attachment B**

CHGEC Updated & Revised Monthly Meter-Read Plan

## Attachment B

Revised Monthly Meter-Reading Plan dated July 20, 2023 (“Revised Plan”)

Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) filed a monthly meter-reading plan on January 17, 2023 in response to the New York State Public Service Commission’s Order in Case 22-M-0645 *Proceeding on Motion of the Commission Concerning Central Hudson Gas & Electric Corporation’s Development and Deployment of Modifications to its Customer Information and Billing System and Resulting Impacts on Billing Accuracy, Timeliness, and Errors*, issued and effective December 15, 2022.

The below sets forth an updated and amended tentative schedule for the Revised Plan:

- |                  |   |
|------------------|---|
| August 1, 2023   | Continued development and testing of a monthly meter-reading structure to ultimate rollout to Company customers, which is anticipated to be performed over an 8–10 week period.   |
| October 1, 2023  | Subject to completion of testing, Central Hudson will launch a proof of concept (“POC”) to perform monthly meter reading for a small group of customers (approximately 1,000). The Company anticipates performing the POC over two full billing cycles (i.e., 2 months) to validate timely, accurate meter reads and monthly bills throughout the entire monthly meter read to bill process.  |
| December 1, 2023 | Subject to completion of the testing and the POC, Central Hudson will initiate a pilot monthly meter-reading campaign covering approximately 10,000 customers (which may include Encoded Receiver Transmitter (“ERT”) saturated meter-reading routes). The Company anticipates that this pilot will be performed during two full billing cycles (i.e., 2 months) and be completed by the end of January 2024.   |
| March 1, 2024    | Subject to the successful completion of the pilot, the Company anticipates launching Phase 1 of monthly meter reading, which would cover approximately one-third of all Central Hudson customers. After two subsequent billing cycles without experiencing any major issues, the Company believes that it will be able to implement, in phases, monthly meter reading to the vast majority of the Company’s customer base by the end of calendar year 2024. |

At each of the above stages, the Company will evaluate the accuracy of monthly meter reads and resulting bills and, if any material issues are identified, such issues will be resolved. This verification and resolution process may require modifications to the above Revised Plan.

The Revised Plan is subject to the Company:

- being able to secure the necessary additional human resources, equipment, software licenses, and vehicles to successfully complete the Plan and Revised Plan;

- not encountering any other significant system, technology, or operational issues that would cause a disruption to its customer base for a prolonged period of time including, but not limited to, adverse storm events or other emergency events;
- not being ordered to commence another billing or other system upgrade that would conflict with its resources in order to execute the Plan and Revised Plan; and
- not being legislated by any government agency with proper authority to do anything inconsistent with the Plan and Revised Plan.