



NEW YORK STATE  
LEGISLATURE

The Honorable Kathy Hochul  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

The Honorable Rory Christian  
Chair and CEO  
New York State Public Service Commission  
Agency Building 3, Empire State Plaza  
Albany, NY 12223

April 12, 2023

Dear Governor Hochul and PSC Chair Christian:

The undersigned members of the NYS Senate and Assembly are writing to urge you to deny the double-digit rate increases proposed by NYSEG and RG&E and instead to conduct a full investigation of the management and administrative competencies of the Companies to restore public confidence and ensure that hard-earned ratepayer dollars are being prudently spent.

The Department of Public Service (DPS) Office of Consumer Services is currently investigating these monopoly utilities for billing errors so egregious that one residential customer was billed \$68,000 and the Companies' own President has called the billing problems a "storm," that despite the Companies' claims of progress, shows no signs of abating. Further, we believe the recurring transparency issues and other errors that DPS staff testified to when reviewing the rate filings signal deeper administrative concerns within the Companies that must be addressed before rate increases are granted.

When NYSEG and RG&E filed their proposed rate hikes in May 2022, (NYSEG 34.9% electric, 14.9% gas; RG&E 21% electric, 18.8% gas) Governor Hochul called the rate hike requests "outrageous and unacceptable" and urged the Department of Public Service (DPS) to "scrutinize every number and word of this proposal to protect New York families from unjustified and unfair rate increases."

DPS staff experts did review the NYSEG and RG&E rate filings, and as documented in public records, testified to the many deficiencies and errors contained in them. Staff further testified that the Companies have been vague and non-responsive to their requests for information. Additionally, staff testified that this is the second successive rate filing in which these issues have occurred, and that similar problems were noted in a 2016 management audit as well and they feared similar deficiencies could arise in future filings.

State regulations governing rate proceedings (16 NYCRR §61) require the Companies to provide “competent testimony” with detailed financial justification that is “neither speculative or conjectural” to support their rate requests. Further, as argued by the Public Utility Law Project (PULP), AARP et. al. in their motion to dismiss, providing the information later during confidential settlement negotiations should not substitute for providing a proper filing to begin with, and allowing this deficient rate filing to proceed lowers the bar on transparency for all subsequent rate filings.

Additionally, as noted above, the NYS Public Service Commission has ordered an expanded investigation of the billing practices of NYSEG and RG&E because the number of consumer complaints skyrocketed to more than 4,700 in 2022, which is 60% more than the two previous years combined.

We note that even absent the billing problems, a double-digit rate increase now, as New Yorkers are struggling under the burdens of inflation and increased housing costs, is unconscionable and should be denied.

For the foregoing reasons, we urge you to deny the double-digit rate increases proposed by NYSEG and RG&E and instead to conduct a full investigation of the management and administrative competencies of the Companies to restore public confidence and to ensure standards for rate filings are upheld and that hard-earned ratepayer dollars are being prudently spent.

In the alternative, if the Commission does not deny the filed cases for the Companies’ failure to uphold its burdens of proof and persuasion in the rate cases, and instead approves some increases to the Companies’ rates, we request that the Commission take heed of the thousands of complaints by NYSEG and RG&E customers whose bills have been egregiously mishandled causing significant financial harms, and grant only an “austerity” rate for the Companies that will limit them to only performing the core duties required of them under the Public Service Law, and will temporarily prohibit stock options, executive salary increases, increases in shareholder dividends, and other actions that would reasonably give rise to higher rates that customers must pay.

There is relatively new leadership at the helm of NYSEG and RG&E that took over after the rate case was filed and after the changes in billing software were underway. We remain hopeful that the new leadership will address the egregious missteps by NYSEG and RG&E and help stabilize our electric grid for New York ratepayers and will ensure reliable and affordable service.

Signed:



Lea Webb  
52nd Senate District



Dr. Anna Kelles  
125th Assembly District

And the Undersigned Legislators:



Samra Brouk  
55th Senate District



Cordell Cleare  
30th Senate District



Jeremy Cooney  
56th Senate District



Kristen Gonzalez  
59th Senate District



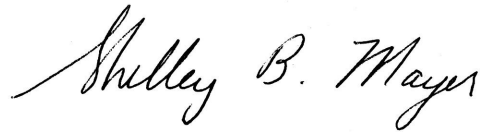
Michelle Hinchey  
41st Senate District



John Mannion  
50th Senate District



Rachel May  
48th Senate District



Shelley Mayer  
37th Senate District



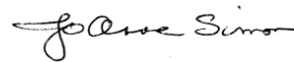
James Skoufis  
42nd Senate District



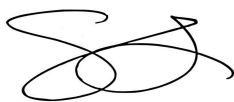
MaryJane Shimsky  
92nd Assembly District



Chris Burdick  
93rd Assembly District



Jo Anne Simon  
52nd Assembly District



Steven Raga  
30th Assembly District



Karines Reyes  
87th Assembly District



Linda B. Rosenthal  
67th Assembly District



Al Stirpe Jr.  
127th Assembly District



Jessica González-Rojas  
34th Assembly District



Carrie Woerner  
113th Assembly District



Matt Slater  
94th Assembly District



Marcela Mitaynes  
51st Assembly District



Brian Maher  
101st Assembly District



Michael Novakhov  
45th Assembly District




Joseph P. DeStefano  
3rd Assembly District




Tony Simone  
75th Assembly District



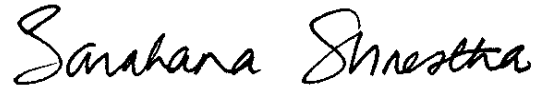
Anil Beephan  
105th Assembly District



Donna Lupardo  
123rd Assembly District



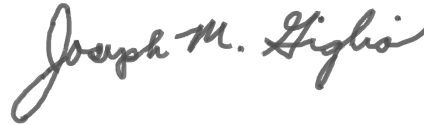
Deborah J. Glick  
66th Assembly District



Sarahana Shrestha  
103rd Assembly District



Demond Meeks  
137th Assembly District



Joseph Giglio  
148th Assembly District

## NYSEG / RG&E Supplemental Information

- Governor [Hochul response](#) (May 2022) to NYSEG/RG&E rate hike requests
- PSC holds public hearings on NYSEG/RG&E [proposed rate hikes](#) (Sept. 2022) (PDF)
- [News 10](#) RG&E President: ‘We’re in the storm’ of customer service issues (Oct. 2022)
- [USA Today](#): A \$345 utility bill became \$68,000 as NYSEG, RG&E confront billing fiasco. (Feb. 2023)
- [News 10](#): Public packs hearing on RG&E billing, customer service issues (Feb. 2023)
- [WXXI](#) - Despite claims of progress, billing complaints still spiking (Feb. 2023)
- PSC Press Release: NYS Public Service Commission [Expands Investigation](#) of NYSEG/RG&E billing issues (PDF)
- Investigation of NYSEG and RG&E billing issues [Docket](#) (23-00068) with testimony and comments from the public.
- [16 NYCRR 61.1-61.4](#) -Rules governing Rate Proceedings
- [Press Release](#) for Motion to Dismiss NYSEG/RG&E rate hike proposals (Mar. 2023)
- [Motion to Dismiss](#) filed by Public Utility Law Project (PULP) AARP New York, Alliance for a Green Economy, et. al. (PDF) (Mar. 2023)
- [US Rep Molinaro \(R, NY-19\) Demands Answers](#) & Action from NYSEG Following Outcry from Wrongfully Billed Customers in Upstate New York (Feb. 2023)
- NYSEG ([22-E-0317/22-G-0318](#)) and RG&E ([22-E-0319/22-G-0320](#)) rate case dockets
- PSC Docket ([19-00950](#)) with monthly data on customer complaints about Utilities and ESCOs
- [Monroe County Executive](#) Letter to PSC (PDF) (Mar. 2022)