

NEW YORK STATE
PUBLIC SERVICE COMMISSION

-----X

Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas and Electric Corporation
for Electric Service

Case 24-E-0461

-----X

-----X

Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas and Electric Corporation
for Gas Service

Case 24-G-0462

-----X

**RESPONSE OF CENTRAL HUDSON GAS & ELECTRIC CORPORATION
TO MOTION TO REVERSE OF REPRESENTATIVE JOSH RILEY**

September 25, 2025

NEW YORK STATE
PUBLIC SERVICE COMMISSION

-----X

Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas and Electric Corporation
for Electric Service

Case 24-E-0461

-----X

-----X

Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas and Electric Corporation
for Gas Service

Case 24-G-0462

-----X

**RESPONSE OF CENTRAL HUDSON GAS & ELECTRIC CORPORATION
TO MOTION TO REVERSE OF REPRESENTATIVE JOSH RILEY**

I. INTRODUCTION

Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”), pursuant to 16 NYCRR § 3.7(c), hereby submits this Response to the Motion to Reverse the PSC’s Order Approving the Joint Proposal filed by Representative Josh Riley on September 11, 2025 (“Riley Rehearing Petition”).¹ The Riley Rehearing Petition requests that the New York State Public Service Commission (“Commission”) stay, reconsider, and/or reverse its August 14, 2025 Order Adopting Terms of A Joint Proposal and Establishing Electric and Gas Rate Plans² that approved the Joint

¹ Though styled as a motion, Representative Josh Riley seeks relief pursuant to 16 NYCRR § 3.7 based on an assertion that the Commission committed errors of law. Therefore, the Company interprets the motion as a petition for rehearing pursuant to New York Public Service Law (“PSL”) § 22 and 16 NYCRR § 3.7(a).

² Cases 24-E-0461 et al. - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans (Aug. 14, 2025) (the “Rate Order”).

Proposal filed on May 13, 2025 in Cases 24-E-0461 and 24-G-0462 and reopen the evidentiary record.

As explained in detail below, the Riley Rehearing Petition fails to meet the standard for granting rehearing set forth in PSL § 22 and 16 NYCRR § 3.7 because it neither presents any errors of law or fact sufficient to grant rehearing nor any new circumstances that warrant a different determination. Accordingly, the Commission should deny the Riley Rehearing Petition in its entirety.

II. RELEVANT BACKGROUND

On August 14, 2025, the Commission issued the Rate Order which approved a Joint Proposal that, among other things, established a three-year rate plan (“Rate Plan”) for Central Hudson. The Commission found that the Joint Proposal, which contained rate increases over the three-year term, was in the public interest based on the Commission’s thorough evaluation of the evidentiary record (consisting of thousands of pages of testimony and exhibits) in the proceedings.³

In the Rate Order, the Commission considered and rejected a number of arguments made by Mr. Riley during and following the conclusion of the evidentiary hearing. For example, Mr. Riley argued that the Company failed to adequately demonstrate a need to raise rates, relying on extra-record statements in quarterly financial reports to assert that rate increases were not necessary.⁴ Mr. Riley also

³ Rate Order at 101 (“Based on our thorough evaluation of the record in these proceedings, we adopt the terms of the Joint Proposal. The three-year Rate Plan provides for rates that are just and reasonable and, when considered in conjunction with the Rate Plan’s other terms and conditions, satisfies the Commission’s concern that, overall, the plan is in the public interest.”).

⁴ Cases 24-E-0461 et al., Representative Josh Riley’s Post-Hearing Statement in Opposition to the Joint Proposal Regarding the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation at 2 (Jul. 1, 2025) (“Riley Post-Hearing Brief”). Mr. Riley’s argument is premised

argued that the Joint Proposal was not consistent with the Commission's Settlement Guidelines because the Company did not adequately develop the evidentiary record with respect to the Company's ultimate parent company, Fortis, Inc.⁵ The Rate Order thoroughly considered these arguments, which were explored at the evidentiary hearing and extensively briefed, and rejected them.⁶ On September 11, 2025, Mr. Riley filed his Rehearing Petition.

III. ARGUMENT

The Riley Rehearing Petition simply rehashes arguments Mr. Riley raised at and following the evidentiary hearing that were fully considered and rejected by the Commission in the Rate Order. Pursuant to PSL § 22 and 16 NYCRR § 3.7, rehearing may only be granted on the grounds that the Commission "committed an error of law or fact or that new circumstances warrant a different determination."⁷ Further, a petition for rehearing "shall separately identify and specifically explain and support each alleged error or new circumstance said to warrant rehearing."⁸ As discussed below, the Riley Rehearing Petition does not set forth any errors of law or fact in the Rate Order sufficient to grant rehearing or new circumstances that would warrant a different determination. Therefore, the Riley Rehearing Petition must be denied in its entirety.

on a statement in the quarterly financial reports that states that "cash from operations, funds obtained through its financing program and equity support from its parent will be sufficient for the foreseeable future to meet its working capital needs, fund its capital program and meet its public service obligations and growth objectives."

⁵ Riley Post-Hearing Brief at 5-10.

⁶ Rate Order at 21, 42.

⁷ The Riley Rehearing Petition does not argue that "new circumstances warrant a different determination."

⁸ 16 NYCRR § 3.7 (b).

A. The Commission Did Not Commit A Legal Error By Failing to Account for Extra-Record Evidence

The Commission approved the Joint Proposal as in the public interest based on its thorough evaluation of the Joint Proposal and the extensive evidentiary record in these proceedings. In doing so, the Commission properly followed its well-established ratemaking process. Contrary to its assertions, the Riley Rehearing Petition fails to establish that the Commission committed any error of law and he provides no legal or record authority to support his argument. At best, the Riley Rehearing Petition can only be viewed as a misunderstanding of the Commission's ratemaking process.⁹

The Company, in its direct and rebuttal filings, filed thousands of pages of testimony and exhibits to support the rate increases requested in these proceedings.¹⁰ In the Rate Order, the Commission found that, after a thorough evaluation of these materials, which were developed over an 11-month period, the Joint Proposal was in the public interest. The Riley Rehearing Petition appears to argue that the Commission's reliance on the extensive evidentiary record in these proceedings, while ignoring extra-record statements¹¹ provided in the Company's quarterly financial reports regarding the Company's ability to meet its public service obligations (among other things), constitutes an error of law.

⁹ The only support provided by Mr. Riley is a lengthy parsing of what may or may not be meant by the phrase "for the foreseeable future" contained in the quarterly financial reports.

¹⁰ The Company also responded to nearly 1,000 discovery requests. In addition, the New York State Department of Public Service Staff and other parties to the proceedings reviewed the Company's filing and provided extensive evidence in response.

¹¹ The Rate Order notes that the quarterly financial reports "were never entered into the record and one report was referenced for the first time in a Post-Hearing Reply Brief." Rate Order at 21.

This argument is fundamentally the same as Mr. Riley's argument previously considered and rejected in the Rate Order. As the Commission stated in the Rate Order:

We further reject Riley's contention that there is no evidence to support a finding that the Company requires any rate increase at all. The record soundly refutes that claim, as detailed at length in the remainder of this [Rate Order].¹²

The Riley Rehearing Petition has not provided any legal or record authority that would warrant a reconsideration of this clear Commission finding, which was properly based on the evidentiary record before it.

Further, there is no need to reopen the evidentiary record to incorporate the quarterly financial reports, as they are irrelevant to the question of whether the Joint Proposal is in the public interest. Even if the statements contained in the quarterly financial reports were relevant, which they are not, contrary to the suggestion of the Riley Rehearing Petition, the Commission did not simply ignore these statements as part of the Rate Order but instead found "that the boilerplate language used in the reports presents no conflict with any position taken by the Company in these proceedings."¹³ The Riley Rehearing Petition has failed to sufficiently demonstrate an error of law regarding the Commission's approval of the Joint Proposal on the

¹² Rate Order at 21.

¹³ Id. The Commission also disagrees that the Company's rate request is at odds with the language in the quarterly financial reports and provides that "the quarterly reports anticipate Commission action in these proceedings and it is possible for a Company to have adequate cash available for foreseeable future needs without a rate increase, while still facing the possibility of decreased access to credit and capital markets and deteriorating financial integrity absent that increase." Id. at 21-22. Given that the language in the quarterly financial reports presents no conflict with the Commission's finding that the Joint Proposal is in the public interest, the fact that the language was included in a subsequent quarterly financial report does not constitute a new circumstance that warrants a different determination.

evidentiary record in these proceedings, and therefore the Riley Rehearing Petition should be denied.

B. The Commission Did Not Commit A Legal Error By Finding That The Joint Proposal Balances Ratepayer and Investor Interests

The Riley Rehearing Petition argues that the Commission committed an error of law by finding that the Joint Proposal “strikes a fair balance among the interests of ratepayers and investors and the long-term soundness of the utility,” as required by the Settlement Guidelines.¹⁴ According to the Riley Rehearing Petition, because the Commission did not conduct an “in-depth review” of the financial situation of Fortis, the Rate Order should be reversed or stayed pending further development of the evidentiary record. The Riley Rehearing Petition provides no legal or record authority to support his argument, which must be denied.

The claim that the Commission needed to conduct an in-depth review of Fortis’ financial condition is contrary to the standard in the Settlement Guidelines. As the Commission stated:

...it appears that Riley misunderstands the requirement in the Settlement Guidelines that a Joint Proposal fairly balance the interest of investors and ratepayers. The Settlement Guidelines address balancing affordability concerns against utility shareholders’ long-recognized right to earn a reasonable return on investment; the Guidelines in no way compel a broad assessment of the financial situation of those shareholders.¹⁵

As provided in the Rate Order, the rate increases and return on equity authorized by the Commission appropriately balance the interests of ratepayers and investors, and therefore the Joint Proposal is in the public interest. The Riley Rehearing Petition’s

¹⁴ Settlement Guidelines at 30.

¹⁵ Rate Order at 43-44.

misinterpretation of the Settlement Guidelines cannot support any assertion that the Commission committed an error of law.

Further, the Riley Rehearing Petition provides no precedent that would support disruption of the Commission's determination that the Company's financial needs should be assessed on a stand-alone basis. According to Mr. Riley, the fact that the Company has sufficient ring-fencing in place does not mean that the Company's financial needs should be assessed on a stand-alone basis. The Commission has already considered this argument and properly rejected it.¹⁶

The Rate Order found that, because sufficient ring-fencing provisions are in place at the Company, an in-depth review of the upstream ownership of the Company was not required to adopt the Rate Plan.¹⁷ The Riley Rehearing Petition does not dispute that sufficient ring-fencing provisions are in place, nor does he provide any sufficient basis for concluding that the Commission committed an error of law by determining that an in-depth review of Fortis' financial condition was not necessary. The Riley Rehearing Petition fails to meet the legal standard for rehearing and therefore must be denied in its entirety.

IV. CONCLUSION

For the foregoing reasons, the Commission should deny the Riley Rehearing Petition in its entirety.

¹⁶ Rate Order at 42: ("As an initial matter, there is no validity to the claims raised by Riley regarding the appropriateness of assessing the Company's financial needs on a stand-alone basis, separate from its upstream ownership.").

¹⁷ Id.

Dated: September 25, 2025

Respectfully submitted,



Brian T. FitzGerald
Gregory G. Nickson
Michael Lloyd
Cullen and Dykman LLP
80 State Street, Suite 900
Tel: (518) 788-9440
bfitzgerald@cullenllp.com
gnickson@cullenllp.com
mlloyd@cullenllp.com

Attorneys for Central Hudson
Gas & Electric Corporation