



NEW YORK STATE SENATOR

Lea Webb

Public Service Commission to Decide on NYSEG Rate Hike Tomorrow

LEA WEBB October 11, 2023

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The Burden on Tatepayers Too High for Upstate Families

Binghamton, NY - On Wednesday, Senator Lea Webb and Assemblywoman Donna Lupardo held a press conference to urge the Public Service Commission (PSC) to reject NYSEG and RG&E's proposed double-digit rate hikes. The Public Service Commission could vote to approve NYSEG and RG&E's proposed double-digit rate hikes at its October 12th meeting this week. If they approve the increase, Webb and Lupardo have warned, they will be doing

significant harm to working families and small businesses.

Senator Lea Webb said, “Families and small businesses across Upstate New York are struggling to pay high utility bills and cannot afford another double-digit rate hike. These increases will continue to disproportionately impact low-income and marginalized residents in our communities. In my office, we are constantly hearing stories from constituents about incorrect bills, late bills, multiple months of bills arriving in their mailboxes in staggering amounts, and service challenges. We are calling on the PSC and the Governor to help and protect rate-payers from these exorbitant increases.”

Assemblywoman Donna Lupardo said, “I am very concerned about the impact these proposed rate hikes will have on the majority of my constituents, including area businesses. The timing could not be worse for this to be considered as many are struggling to make ends meet in this post COVID economy. While I recognize the need for system upgrades, we have to find a way to address this without further burdening struggling families and companies. I urge the Public Service Commission to either vote against this rate hike or postpone any decision making.”

Assemblymember Kelles stated, “It is unacceptable that New York residents have had to endure countless billing issues like double billing, faulty meter readings, inexplicably high bills, as well as poor and often unnavigable customer service support and regular power outages and gas leaks from New York State Electric and Gas. These ongoing issues have caused undue stress and financial hardship for many, and it is clear that the utility company has not met its responsibilities to consumers making their request for increased rates unjustifiable and irresponsible. We should not approve rate hikes while these problems persist. The Public Service Commission must exercise its authority to ensure that New York residents receive reliable, affordable, and accurate utility services. It is true that we have a need to upgrade transmission lines while we electrify our power grid to meet our climate

goals but we cannot pass this full fiscal responsibility onto rate payers, particularly for a quality of service that they are not receiving. I, along with my constituents, advocates and legislative colleagues, call on the Public Service Commission to stand up for the rights and interests of consumers, and reject this proposal."

Irene Weiser, coordinator of Fossil Free Tompkins said, "NYSEG is the worst performing energy utility in NY State. They are tied with their sister company RG&E for the lowest customer service ratings, and years NYSEG has had the most frequent outages of any utility. They have the worst performance on conversion to renewables and the worst reputation for getting renewables hooked up to the grid. They have been found responsible for 2 egregious safety violations this past year, one resulting in the electrocution of a resident, the other resulting in a duplex burning to the ground while they took 3 hours to turn off the gas. And their billing problems continue - even with installation of smart meters. Ratepayers should not be forced to throw good money after bad. They don't deserve a rate increase until they provide better service. If the PSC grants this rate increase, they will have lowered the standards for performance for all utilities."

Background:

In June of 2022, NYSEG and RG&E and DPS asked the PSC to authorize a **3-year deal** for astronomical delivery rate increases - 62% for NYSEG electric, 17.8% NYSEG Gas, RG&E electric 37.4% , and 33.9%% RG&E gas. The agreement still does not provide **transparency** regarding the cost justifications that were missing in the original filing, nor does it **comply** with the State's climate law.

When the rate increase was initially proposed, **Governor Hochul said** : "It's outrageous and unacceptable that utility companies are proposing the largest rate increase in recent history for more than 1.2 million households in Upstate New York." Further, she instructed her

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.”

The DPS review found hundreds of millions of dollars of proposed infrastructure projects that lacked clear justification, cost histories, or prioritization. The proposal should have been **rejected** immediately because it did not follow the **law**, which states that utilities must justify their rate proposals with data that is “neither speculative nor conjectural” and must provide detailed explanations for all estimates. Inexplicably, the DPS decided instead to enter into negotiations to develop a deal to give the utilities a massive 3-year rate hike.

While confidential rate negotiations were underway, a widespread **billing fiasco** came to light in which hundreds of NYSEG and RG&E customers were overbilled, including one residential customer who was billed over \$68,000. Our legislative offices still receive complaints from constituents, including from a resident last week who was erroneously billed over \$12,000, demonstrating that these issues remain unresolved.

In April, Senator Webb, Assemblymember Lupardo, and colleagues sent a **letter** signed by 32 state legislators to Governor Hochul and the Public Service Commission (PSC) Chair Rory Christian, asking that the rate hike be denied, that the billing problems be fixed, and that the utilities’ management be evaluated. Additionally, 28 county boards unanimously passed similar resolutions. The City of **Rochester called** for an investigation of RG&E and is considering a municipal takeover.

Safety violations have also been a concern. This year, the PSC found NYSEG responsible for two serious safety violations. In the first incident, when called to address an emergency **gas leak**, NYSEG staff fumbled with the wrong equipment for over 3 hours before finally shutting off the gas. Meanwhile, the duplex burned to the ground. In the second incident, NYSEG employees erroneously failed to de-energize a downed **live wire** they were called to

inspect. As a result, a resident was fatally electrocuted in his driveway.

NYSEG and R&G customers have also dealt with poor quality service. For years, NYSEG customers have experienced more **outages** than any other utility, and NYSEG and RG&E currently have the lowest overall **customer service** scores of any utility, with complaint response times averaging more than 120 days.

Over the past year, legislators, advocates, and customers have shared their concerns that these proposed rate hikes are simply unaffordable. Even now, before these increases are phased in over the next 18 months, 12% of **NYSEG** and **RG&E** customers are more than 60 days in arrears, and more than 5,500 households had their service terminated in August alone. These proposed rate increases will put families further in debt, make housing more unaffordable, and will place a major burden on small businesses still struggling to recover from the impacts of COVID.

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