



NEW YORK STATE SENATOR

James Skoufis

Skoufis, Hudson Valley Legislators Pressure O&R to Abandon Rate Hike Proposal

JAMES SKOUFIS March 18, 2022

| ISSUE: **UTILITIES, ORANGE AND ROCKLAND, PUBLIC SERVICE COMMISSION, UTILITY BILLS**

| COMMITTEE: **INVESTIGATIONS AND GOVERNMENT OPERATIONS**



Senator James Skoufis (D-Hudson Valley), **Senator Elijah Reichlin-Melnick** (D-Rockland/Westchester), and **Assemblymember Ken Zebrowski** (D-New City) gathered outside the offices of Orange & Rockland Utilities (O&R) on Friday to demand the company immediately rescind its proposed rate hikes currently being considered by the Public Service Commission (PSC). O&R is seeking to increase its electric delivery revenues by \$24.5 million,

and its gas delivery revenues by nearly \$10 million over the next three years.

Before a utility company can adjust electric or gas delivery rates for its consumers, it must receive approval by the PSC. **Delivery rates** cover the infrastructure required to transfer energy from its source to the consumer, as well as any surcharges or administrative fees a utility company may levy.

In recent months, neighboring utility Central Hudson got the green light from PSC in November on its own three-year rate plans, enabling the company's electric delivery revenues to jump \$16 million and gas delivery revenues to jump close to \$12 million by 2024. Central Hudson's rate hike approval comes on the heels of the company's mishandling of a billing system transition that left the accounts of thousands of consumers in disarray, followed by crushing surges in global energy supply costs.

Due to mounting pressure from local legislators and Skoufis' recent announcement of a formal Senate investigation into utility companies, power providers, and other stakeholders, O&R's electric and gas rate cases, initially expected to conclude this week, have been delayed. Skoufis issued a letter to the Public Service Commission on March 4 urging commissioners to suspend any consideration of O&R's rate hikes, and both Senator Reichlin-Melnick and Assemblymember Zebrowski have been in communication with the Governor's office about the need for PSC to reign in rate increases.

q

“We’re here today to call on Orange & Rockland to read the writing on the wall: struggling Hudson Valley ratepayers can’t tolerate these surging bills and they shouldn’t be asked to bear an even larger financial burden,” said Senator Skoufis, who chairs the Senate’s investigations and government operations committee. “O&R must rescind its rate case

immediately to ensure residents and small business owners won't be asked to choose between keeping the lights on and feeding their families."

"Our constituents are being squeezed by energy costs at every turn and New York State needs to step in everywhere we can," said **Senator Reichlin-Melnick**. "Utility companies have a monopoly on electric and gas delivery. We are calling on O&R to reconsider imposing any rate hikes in this moment of unprecedented energy costs."

"New Yorkers continue to feel the brunt of high utility rates, and the proposed hike from O&R will only create further financial difficulties for hardworking families," said **Assemblymember Zebrowski**. "The proposal being considered by the PSC comes at a time when many are still facing overdue payments and trying to make up for those. Now is not the time to force even more pressure on ratepayers, it is time for O&R to withdraw this rate hike proposal and work to find more affordable options for customers."

###