

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on February 15, 2024

COMMISSIONERS PRESENT:

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

CASE 20-W-0477 - Complaint of 25 or More Customers Against
Hudson Valley Water Companies, Inc. Concerning
the Company's Ability to Meet its Obligations
to its Customers.

CASE 22-W-0357 - Minor Rate Filing of Hudson Valley Water
Companies, Inc. to Increase its Annual Revenues
by About \$44,646.00 or 20.6 Percent.

CASE 24-W-0105 - Proceeding on Motion of the Commission to
Investigate the Acts and Adequacy of Service
Provided by Hudson Valley Water Companies, Inc.

ORDER INSTITUTING PROCEEDING AND TO SHOW CAUSE

(Issued and Effective February 15, 2024)

BY THE COMMISSION:

INTRODUCTION

Today, the Commission issues an Order directing Hudson Valley Water Companies, Inc. (Hudson Valley or Company) to respond to allegations about apparent regulatory violations related to its operations and why the Commission should not appoint a temporary operator to take control of the Company's operations pursuant to Public Service Law §112-a. The summary of events presented here is based on allegations and information

obtained and presented by the Department of Public Service staff (Department or Staff) and summarized in this Order. We note that this Order to Show Cause does not constitute final factual findings or legal conclusions by the Commission. Instead, today's Order initiates a proceeding and provides the Company with an opportunity to address and respond to the allegations and information presented by Staff.

Jeffrey Fuller (Fuller) is the President and owner of Hudson Valley. Hudson Valley has five water systems throughout Ulster County.¹ On December 19, 2023, the Public Utility Law Project of New York (PULP) sent a communication to Staff contending that customers in the Company's Boiceville water system (System No. 5) had experienced an apparent loss of water service in the Town of Olive. Upon its own investigation, Staff learned that an apparent arsenic filtration system failure occurred on December 16, 2023, and had continued thereafter. Although the Company issued a notice the same day informing customers of System No. 5 not to drink or boil the water that the Company distributed, it appears that the system did not begin normal operations with a new arsenic filtration media until January 8, 2024, - a period of over three weeks after the issue began. Additionally, as discussed in the accompanying 2024 Staff Report, the Company may have been aware of the problems with its pre-existing arsenic filtration system in advance of its failure but took inadequate measures to address the problem.

Several officials from Ulster County, notably including the Commissioner of the Ulster County Department of Health (UCDOH), which has jurisdiction over drinking water standards and safety, provided a letter dated January 9, 2024

¹ Hudson Valley is an active New York State domestic business corporation that was established December 9, 1954.

(January 9 Letter) to the Chair of the Commission expressing concerns with Hudson Valley's operation and water service.² The January 9 Letter highlights operational and service issues that occurred following the failure of the arsenic filtration system. The January 9 Letter also identifies operational issues in two of the Company's other systems and cites historic service issues that Staff also identified in Case 20-W-0477 and the Commission discusses in Case 22-W-0357. The January 9 Letter requests that the Commission utilize its authority, under Public Service Law (PSL) §89-h and the Commission's Acquisition Incentive Mechanism Policy (AIM Policy) to transfer the ownership of Hudson Valley to another entity that can provide reliable service to customers.³

As outlined in the 2020 Staff Report issued in Case 20-W-0477,⁴ and the findings discussed in the 2023 Rate Order,⁵ Staff has previously recognized deficiencies in Hudson Valley's record keeping, meter reading, billing, communications, and consumer interactions. Hudson Valley's subsequent filings in Case 20-W-0477, its missing or untimely filings in Case 22-W-

² In addition to the Commissioner of the Ulster County Department of Health, other signatories included the Ulster County Executive, members of the Ulster County Legislature, Senator Michelle Hinchey, Assembly Member Sarahana Shrestha, and the Town Supervisors of Hurley, Olive, Rosendale, and Saugerties. A substantively identical letter was filed on January 11, 2024, containing the signature of an additional Ulster County Legislator, Manna Jo Greene.

³ Case 93-W-0962, Proceeding on Motion of the Commission to Establish a Policy to Provide Incentives for the Acquisition and Merger of Small Water Utilities, Statement of Policy on Acquisition Incentive Mechanisms for Small Water Companies (issued August 8, 1994).

⁴ Case 20-W-0477, Department of Public Service Staff Report (issued October 2, 2020) (2020 Staff Report).

⁵ Case 22-W-0357, Order Approving Rate Increase with Modifications (issued May 19, 2023) (2023 Rate Order).

0357, developments surrounding the recent apparent failure of the arsenic filtration system, and Staff's findings in its ongoing investigation detailed in the 2024 Staff Report⁶ all indicate that Fuller and certain managers and operators of Hudson Valley may now lack managerial capability to properly operate these systems in a manner that ensures the provision of safe and adequate service to the Company's customers.

Based on the allegations received and presented by Staff to date, the Commission has concerns that Hudson Valley has failed to make appreciable and consistent improvements to its billing, metering, management of its water-works systems, and customer service operations in accordance with Staff's recommendations in the 2020 Staff Report. Additionally, Staff has presented sufficient allegations that the Company appears to have: not complied with certain directives in the 2023 Rate Order, failed to meet the deadlines and provide annual filings as recommended in the 2020 Staff Report, and failed to adhere to the terms and standards in its own Emergency Response Plan (ERP).⁷ Through apparent disregard of UCDOH guidance relating to the Company's arsenic filtration system at System No. 5, the Company's actions and inactions appear to have caused customers of that system to be unable to drink or boil the water Hudson Valley delivered for three weeks, which included the end of year holidays.

For all these reasons and those discussed below, we conclude that Staff has presented sufficiently credible allegations that Hudson Valley may not be currently capable of providing drinking water services to its customers in a manner

⁶ Case 24-W-0105, Department of Public Service Staff Report (filed February 15, 2024) (2024 Staff Report).

⁷ Case 20-W-0477, Operations and Emergency Plans (Redacted) (filed March 26, 2021).

that is sufficient to protect the public health and welfare. Accordingly, by this Order, the Commission institutes a new proceeding to investigate the water service provided by Hudson Valley and directs Jeffrey Fuller individually, Jeffrey Fuller on behalf of Hudson Valley, and the managers and operators of Hudson Valley to show cause for why the Commission should not determine that their management and operation of the Company exhibits one or more of the criteria established in PSL §112-a and appoint a temporary operator for the Company.

BACKGROUND

System Overview

Hudson Valley provides year-round metered water service to 434 customers in Ulster County in the Towns of Hurley, Olive, Rosendale, and Saugerties. The Company also provides public fire protection through eight hydrants in the Town of Saugerties. The Company's customers are spread throughout five non-contiguous systems. All five systems utilize a groundwater source, employ sodium hypochlorite for disinfection, and utilize either atmospheric or hydropneumatic storage tanks. Each system is further described below.

The Mt. Marion system (System No. 1), located in the Town of Saugerties, provides service to 225 homes and one school. The Mt. Marion system also provides public fire protection service through eight fire hydrants. The system pumps water from two groundwater wells to the treatment building for chlorination and filtration for iron removal. The system then conveys the water to a 100,000-gallon ground-level steel storage tank and distributes the water to customers via 6-inch and 8-inch mains.

The High Falls system (System No. 2) is in the Town of Rosendale and serves 100 homes. The water system consists of

two wells, two 15,000-gallon below-ground untreated water storage tanks, two booster pumps, a chlorine feed system, and a 10,000-gallon hydropneumatic tank in the lower level of the pump house.

The Pine Street system (System No. 3) is one of the two systems that are in the Town of Hurley and serves 16 homes. The water system consists of two wells, a below-ground water storage tank, two booster pumps, a chlorine feed system, and a 1,400-gallon hydropneumatic tank inside the pump house.

The West Hurley system (System No. 4) is the second system located in the Town of Hurley and serves 60 homes and three condominiums. The water system consists of three wells, two below-ground water storage tanks with capacities of 8,000 gallons and 10,000 gallons, two booster pumps, a corrosion control treatment system, a chlorine feed system, and a 2,000-gallon hydropneumatic tank inside the pump house.

The Boiceville system (System No. 5) is in the Town of Olive and serves 29 homes. The water system consists of two wells, an 80,000-gallon untreated water storage reservoir, an arsenic removal system, a chlorine feed system, and a 3,000-gallon hydropneumatic tank inside the pump house.

2020 Staff Report

On August 9, 2019, Staff launched an investigation into the water quality, system quality, and business practices of Hudson Valley in response to a letter, dated August 7, 2019, from New York State Assemblymember Kevin A. Cahill with complaints from customers of Hudson Valley.⁸ Staff subsequently investigated the Company's operations and made 49 recommendations for the Company in the 2020 Staff Report. Staff's recommendations encompassed improvements related to the

⁸ Case 20-W-0477, Formal Complaints against Hudson Valley Water Companies Inc. (filed August 9, 2019).

enhancement of water quality testing, reporting of water quality violations, modification of customer billing procedures, modification or creation of written procedures, maintenance of customer complaint records, meter access, service interruptions, main repairs, billing, addressing compliance with UCDOH requirements, development of Company plans and procedures for addressing service interruptions and main repairs, improvements in Company professionalism, and the development of short-term and long-term capital investment plans. On October 2, 2020, the Commission issued an Order directing the Company to submit a plan on how it will adhere to the 49 recommendations in the 2020 Staff Report.⁹ The Company filed its plan on February 19, 2021.

The 2020 Staff Report made three recommendations for Hudson Valley that call for the filing of annual reports, due January 31 of each calendar year. Recommendation 13 stated that the Company should report annually on the number of meter readings the Company estimated, customer-read meter readings, and company-read meter readings for each quarter. Recommendation 30 stated that the Company should report annually the total number of adjusted bills in each quarter of the calendar year. Lastly, Recommendation 33 called for the Company to maintain a detailed log of customer interactions via phone, mail, and email, to be reported annually. Such logs should include "the number of customer complaints called into the Company, the topic of the complaint, and the resolution of the complaints."¹⁰

⁹ Case 20-W-0477, Order Requiring Compliance Plan (issued October 2, 2020) (2020 Compliance Order); Case 20-W-0477, Confirming Order (issued October 20, 2020).

¹⁰ 2020 Staff Report, at 13, 82, and 84.

2022 Rate Case

On June 21, 2022, in Case 22-W-0357, Hudson Valley filed tariff amendments to its tariff schedule, P.S.C. No. 2 - Water, requesting Commission authorization to increase its annual base revenues by approximately \$44,646 or 20.6 percent.¹¹ The Company proposed an across-the-board increase of 20.6 percent to all rates for water service, including the minimum charges, volumetric rates, and hydrant rates for fire protection service. Hudson Valley stated in its filing that it needed the increase in revenues to offset the significant increase in operating expenses, including purchased power, water treatment chemicals, repairs and maintenance, and water testing expenses. Commenters opposed the Company's proposed rate increase, as they felt the Company was not doing its due diligence to address the systems' failing infrastructure or water quality issues.¹² The Commission's 2023 Rate Order authorized Hudson Valley to increase its annual base operating revenues by \$5,662 or 2.8 percent for a total annual revenue of \$210,105 based on justified costs.

Arsenic Filtration Failure

On December 19, 2023, PULP contacted Staff and contended that the arsenic filtration system at System No. 5, in Boiceville began to fail on December 16, 2023.¹³ Staff monitored subsequent consumer complaints and comments regarding Hudson Valley and obtained on-going system status information from UCDOH. Customers contacted the Office of Consumer Services (OCS) and filed public comments in the 2022 Rate Case and Case

¹¹ Case 22-W-0357, Minor Rate Filing (filed June 21, 2022) (2022 Rate Case).

¹² 2023 Rate Order, at 6-7.

¹³ PULP email from Laurie Wheelock to DPS Office of Consumer Services Staff (submitted December 19, 2023).

20-W-0477 stating that there was a failure of the water system in Boiceville, and they were told not to drink the water.

Four customers contacted OCS between December 28 and December 31, 2023, through the online portal and OCS hotline. Their complaints included allegations of a lack of communication from the Company and claim the Company did not answer customer calls, a lack of potable water, and that the Company provided inadequate information regarding the Do Not Drink order. The customers requested relief in the form of a new owner and operator.

Public commenters who filed their concerns during the arsenic filtration failure included a timeline of water-system issues from July 5, 2021, to December 29, 2023, outlining specific concerns, and copies of email communications with the Company.¹⁴ The public commenters claimed that they were expecting the arsenic filter issue to be resolved by January 12, 2024, which would be 28 days without access to clean water; that the Company did not inform customers of the problem or its plan to resolve it, and did not answer customer calls or emails until customers contacted DOH and the Office of Ulster County Executive for assistance; that the Do Not Drink order was only sent to the customers' email addresses used by Hudson Valley, which resulted in the elderly and renters not being aware of the issue; that Hudson Valley provided a clean water tanker after seven days of the onset of the incident; that this is the second holiday without access to clean water; that since July 2021 and

¹⁴ Three commenters submitted public comments during the arsenic filtration failure in the 2022 Rate Case and in Case 20-W-0477 on December 29, 2023, and January 3, 2024, regarding these issues. Three additional commenters also submitted public comments in Case 20-W-0477 reiterating similar claims against the Company regarding poor communication, delayed responses, and other concerns with Hudson Valley on December 28, 2023, December 29, 2023, and January 7, 2024.

inclusive of this incident, Hudson Valley has failed to provide clean water for a total of 64 days; that the Company ignores or the owner communicates harshly to customers in response to their complaints or questions; and that the Company should be operated by another entity to allow for the system to be upgraded and maintained as well as to handle customer service activities.

January 9 Letter

According to the January 9 Letter, water service at Hudson Valley's System No. 5 in Boiceville was impaired and limited to non-potable water under a Do Not Drink order, which began on December 16, 2023, and persisted for 25 days due to failure of the arsenic filtration system.¹⁵ The January 9 Letter further cites poor communication practices surrounding this system impairment and outage and the Company's failure to abide by the terms of its self-created Standard Operating Procedures and ERP. The January 9 Letter claims that the Company had foreknowledge of the impending failure from UCDOH, which had recommended that the Company replace the arsenic filter media. Further, the January 9 Letter states that the Company's response to the arsenic filtration system failure was delayed, and the Company's subsequent communication to customers regarding the availability of potable water through tanker trucks was also not timely and in violation of the Company's ERP.

In addition to the issues surrounding System No. 5, the January 9 Letter identifies a service outage at System No. 2, located in Rosendale, over December 20 and 21, 2023, and a reduction of pumping capacity to less than 35 percent at System No. 4 in Hurley. The January 9 Letter points to these

¹⁵ According to an email Staff received from UCDOH, on January 31, 2024, the Do Not Drink order first became effective on December 16, 2023. UCDOH states it received notification of satisfactory water sampling results on January 10, 2024.

issues as evidence of continued insufficient investment in the system's infrastructure and lack of competency of the Company's owner and operators. The January 9 Letter points to the persistence of these issues, as they were also documented in the 2020 Staff Report. The January 9 Letter then argues that the Company failed to abide by the recommendations in the 2020 Staff Report to implement corrective actions, and that this continued substandard service has resulted in many customer comments and complaints and attempted interventions by UCDOH, Ulster County leadership, and state officials. The January 9 Letter concludes that these persistent issues and asserted failures of the Company's owner and management warrant Commission action to ensure safe and reliable water service. The January 9 Letter requests that the Commission exercise its authority under PSL §89-h(5) and the AIM Policy to facilitate the transfer of the Company's ownership to a new owner and operator that can provide reliable service at just and reasonable rates.

Company Response to the January 9 Letter

On January 17, 2024, Fuller filed a letter in response to the January 9 Letter, disputing many of the claims set forth therein. The letter states that the Company's water service is not unreliable, and that the Company replaced the arsenic filters at Boiceville but did not restore service immediately due to UCDOH's mandated water quality testing. Fuller asserts that, as an alternative to providing water via tanker trucks, the "Health Department" initially recommended that the Company give bottled water to each resident directly. Fuller continues, stating that a "higher level individual" subsequently mandated that the Company obtain a tanker truck, which the Company then arranged immediately. It is Fuller's position that the Company made all initial customer communication and provided daily updates to all residents by email and hand deliveries.

Regarding the arsenic filtration media, Fuller asserts that the Company "had recommendations as to various remedies, including filter replacements and backwashing," which Fuller states the Company implemented and were effective at the time. Fuller also states that once the Company received the new arsenic filter media, the holidays delayed the installation of the media as well as water testing.

Regarding the power outage at High Falls in December 2023, Fuller states that this resulted from a loss of 2 out of 3 phases of power from Central Hudson Gas & Electric Corporation (Central Hudson). Fuller states that he contacted the Company's special contact at Central Hudson and Central Hudson sent personnel to fix the matter. Fuller states the Company's operator was on site before dawn the next day and restored service. Fuller also asserts that West Hurley, System No. 4, is operating at 100 percent, despite the January 9 Letter's claim that it is pumping at less than 35 percent. Fuller states that the Company has made substantial improvements to its systems in terms of treatment, electrical upgrades, facilities, etc. and claims that more improvements are being planned. Fuller claims that the Company has and continues to provide safe and consistent water service to customers, and that transfer of ownership is unwarranted. Furthermore, Fuller states that there has been no municipal interest in forming local water districts, despite contact from the Company. Fuller states that the Company is still open to discussing that possibility and having mutual and fair discussions with any of the larger water providers in New York State.

2024 Staff Report

Staff initiated an investigation to review the Company's actions in response to the recommendations made in the 2020 Staff Report, the Commission's directive in the 2020

Compliance Order, the Commission's directives in the 2023 Rate Order, and into the claims made in the January 9 Letter. The 2024 Staff Report summarizes Staff's findings from its initial phase of this investigation.

Regarding the failure of the arsenic filtration system, the 2024 Staff Report states that the operators at System No. 5 were aware of the arsenic filter beginning to show signs of end of life in October 2023. Although the Company implemented temporary solutions to further the use of the filter, the Company apparently did not plan and take the necessary steps, as recommended by UCDOH, to replace the arsenic filter media prior to its failure on December 16, 2023.¹⁶ The Do Not Drink order also appears to have remained in effect until January 8, 2024.

The 2024 Staff Report explains that the Commission previously authorized a replenishable interest-bearing escrow account, identified in Hudson Valley's tariff statement - Escrow Account Statement No. 1, so that the Company would have access to funds to cover the costs of extraordinary repairs, including new arsenic filter media when needed, which the Escrow Order stated was estimated to be every three to four years.¹⁷ Prior to 2023, Hudson Valley replaced the arsenic filter media in March 2020.¹⁸ Therefore, with proper planning and management of the system, the Company would have known that it would have to replace the arsenic filter media before it failed in December 2023. While the escrow account was intended precisely to ensure

¹⁶ UCDOH email received January 31, 2024.

¹⁷ Case 09-W-0744, Hudson Valley Water Companies, Inc. - Escrow Account, Untitled Order (issued December 17, 2009) (Escrow Order). The Company is authorized to charge each customer up to \$50.00 per quarter to replenish the account to reach the maximum balance of \$22,000.

¹⁸ 2020 Staff Report, at 101.

funding to replace the arsenic filter media and emergency repairs, the 2024 Staff Report states that the Company had a maximum monthly closing balance of only approximately \$2,400 in 2023 from monthly escrow bank account statements. In contrast, at the time of the Escrow Order, in 2009, the estimated cost to replace the filter media was \$12,000. Further, the 2024 Staff Report states that the Company did not notify Staff of the incident and Staff's initial investigation indicates that the Company did not adhere to its ERP in response to this incident.

Regarding general management and operation of the Company's systems, the 2024 Staff Report identifies several potential areas of concern: a lack of improvement regarding the Company's handling of customer complaints, remaining concerns regarding billing accuracy and estimated billing, insufficient efforts to explore the cost and installation of emergency generators and meters, poor record keeping, and insufficient communication to customers and Staff. Further, the 2024 Staff Report contends that the Company has violated Title 16 of the New York Codes, Rules and Regulations (16 NYCRR) §503.3(b) by failing to inform Staff of past interruptions to and major impairments of its water service.

The 2024 Staff Report also discusses Staff's concerns regarding the financial capability of the Company considering the quality of information provided by the Company during the 2022 Rate Case and the Company's use of a claimed sales tax-exempt status, which the Commission addressed in the 2023 Rate Order. Additionally, the 2024 Staff Report states that the Company failed to provide filings outlined in the 2020 Staff Report and failed to meet the compliance filings directed in the 2023 Rate Order.

The 2024 Staff Report concludes that despite some improvements since the Commission directed the Company to

provide an implementation plan responding to the 2020 Staff Report, the Company has largely failed to make the recommended operational and managerial improvements and continues to face issues with customer service. Accordingly, Staff contends that the owner of the Company does not have the managerial or financial capability to ensure the safe and adequate operation of Hudson Valley's water systems.

STATUTORY AUTHORITY

PSL §§89-b and 89-c authorize the Commission to regulate water utilities thereby ensuring the provision of safe and adequate service, at just and reasonable rates. PSL §112-a provides the Commission with the power to appoint a temporary operator for a water utility with less than 1,000 customers if, after notice and an opportunity to be heard, the Commission determines that the water company exhibits one or more of the following criteria: a failure to provide safe, adequate, or reliable service; a lack of technical, financial, or managerial capacity to provide service; or actual or effective abandonment of any service or portion thereof. In making such a determination, the Commission may take into consideration the financial, managerial, and technical ability of the water works corporation; the financial, managerial, and technical ability of the persons or entities providing the same type of service; expenditures necessary to make improvements to ensure compliance with applicable statutory and regulatory standards; and any other matter the Commission deems relevant. In exercising its opportunity to be heard pursuant to PSL §112-a(a), (d), the water company has the burden of demonstrating that it is supplying and has the ability to continue to supply safe, adequate, and reliable service at just and reasonable rates, or that abandonment of service by its system is in the public interest.

Any temporary operator appointed by the Commission must be a person or entity that is not an affiliated interest of the water company; agrees to operate the water company under the terms and conditions established by the Commission; and is financially, managerially, and technically capable of operating the water company in compliance with the applicable standards.

DISCUSSION AND CONCLUSION

The 2024 Staff Report, the findings of which we take note, discusses Hudson Valley's apparent substandard performance in multiple areas of its operations. While we make no factual findings today, the 2024 Staff Report identifies various incidents including the more than three-week period that included the 2023 winter holiday season, during which Hudson Valley allegedly did not provide safe drinking water to customers of its System No. 5 - serving residents of the Town of Olive. Staff asserts that Hudson Valley had knowledge of the deficiencies of the arsenic filtration media in System No. 5 but failed to take sufficient action for weeks, resulting in the media's failure and ultimately to the issuance of the Do Not Drink order.

Staff previously identified many similar substandard operational issues in the 2020 Staff Report. These issues include the Company's failure to address customer comments and complaints filed with the Department in a timely or adequate fashion and maintain satisfactory records, its consistent issuance of a large volume of estimated bills each year, and its failure to submit timely and adequate filings in response to prior Commission directives and recommendations made in the 2020 Staff Report.

The 2024 Staff Report also asserts that the Company does not currently have the financial capability to adequately

operate the water utility. For example, Staff notes that the Company's insufficient and inaccurate financial records provided in the 2022 Rate Case resulted in the Commission's many adjustments in the 2023 Rate Order, including removing from the revenue requirement what appeared to be the owner's personal expenses. Additionally, the 2023 Rate Order expressed concern regarding the Company's claim of tax exemptions that the Company was unable to show are applicable to it. Further, the 2024 Staff Report alleges that the Company has failed to adequately plan regarding the collection and use of its escrow account funds, resulting in the untenable situation where there are negligible funds in that account.

In sum, the 2024 Staff Report makes apparent that many of the operational deficiencies identified by Staff in 2020 may continue to this day. Based on the history of performance deficiencies alleged in the 2024 Staff Report, as well as the most recent deficiency related to the arsenic filtration unit at the Company's System No. 5, it is apparent that Staff has concerns that Hudson Valley is not currently able to provide consistent, safe, and adequate service to its customers. Although the Commission takes note of Fuller's response to the January 9 Letter that raised some of the claims asserted here, at this time, it does not appear that the letter effectively or conclusively refutes the allegations contained in the January 9 letter or the 2024 Staff Report. By way of example, the letter does not contain sufficient documentation corroborating its assertions. The Company will have an opportunity to respond to Staff's allegations and, if necessary, thereafter proceed to a hearing under PSL §119-a. Therefore, the Commission directs Jeffrey Fuller individually, Jeffrey Fuller on behalf of Hudson Valley, and the managers and operators of Hudson Valley to show cause why the Commission should not determine that the Company

exhibits one or more of the criteria established in PSL §112-a and appoint a temporary operator for the Company. All submissions, including the response to this Order and public comments, shall be filed with the Secretary to the Commission in Case 24-W-0105.

The Commission orders:

1. A proceeding is instituted to investigate the acts and adequacy of service provided by Hudson Valley Water Companies, Inc., to assess whether Jeffrey Fuller individually, Jeffrey Fuller on behalf of Hudson Valley Water Companies, Inc., and the managers and operators of Hudson Valley Water Companies, Inc. have failed to provide or are incapable of consistently providing safe and adequate service to customers, and to determine whether to appoint a temporary operator of Hudson Valley Water Companies, Inc. pursuant to Public Service Law §112-a.

2. Jeffrey Fuller individually, Jeffrey Fuller on behalf of Hudson Valley Water Companies, Inc., and the managers and operators of Hudson Valley Water Companies, Inc. are ordered to show cause in writing submitted to the Secretary to the Commission in Case 24-W-0105 no later than March 1, 2024, why the Commission should not appoint a temporary operator for Hudson Valley Water Companies, Inc. and direct Hudson Valley Water Companies, Inc. to provide such temporary operator with access to all assets, including meters, property and equipment, books and records necessary for the operation of the water system, pursuant to Public Service Law §112-a and in accordance with the discussion in the body of this Order.

3. 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

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the extension, and must be filed at least three days prior to the affected deadline.

4. These proceedings are continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary