

In Opposition to the Proposed Merger of Central Hudson and Fortis Inc.

Referred to: The Laws and Rules, Governmental Services Committee (Chairman Roberts and Legislators Fabiano, Maio, Ronk, Donaldson, Loughran and RS Parete)

Legislators Bartels, Belfiglio, Fabiano, RS Parete, Rodriguez and Wishnick offer the following:

WHEREAS, Fortis, Inc., a multinational corporation with headquarters in Canada made an offer to purchase Central Hudson, a publicly traded utility located in the Hudson Valley, and

WHEREAS, there are 375,000 Central Hudson customers (representing 680,000 persons), many of whom live in Ulster County, NY, and

WHEREAS, the Public Service Commission (PSC) must approve of this merger in order to be approved the applicant must prove a net public benefit, and

WHEREAS, the PSC held only two hearings, on the same day, one of which was held at 3:30 in the afternoon, when much of the population is still at work, and

WHEREAS, PSC staff recommended \$85 million in community benefit funds for the areas covered by Central Hudson, to which Fortis initially offered only \$20 million before ultimately settling for less than \$50 million in aid to our area, and

WHEREAS, Fortis has only guaranteed a rate freeze for 12 months, and

WHEREAS, Fortis is not committed to expanding its Alternative Energy portfolio and has publicly said they will continue to rely on natural gas, and

WHEREAS Fortis has not committed to increase the resilience of the region's electricity system to major storms like Irene, Lee, and Sandy, including through investment in a distributed generation network, and

WHEREAS, the public benefits offered by Fortis are only one-time and short-term, and are outweighed by the future risks to Hudson Valley residents of achieving an affordable, sustainable, and reliable supply of power, and

WHEREAS the possible use of NAFTA to override PSC and State requirements to modernize energy should be of major concern to our state, and

WHEREAS, Assemblyman Kevin Cahill, former chair of the Assembly Energy Committee, has highlighted the possible use of the North American Free Trade agreement (NAFTA), as a way to severely restrict the ability of the PSC to fully regulate a merged Fortis/Central Hudson, and

Resolution No. 82 March 19, 2013

In Opposition to the Proposed Merger of Central Hudson and Fortis Inc.

WHEREAS, Fortis partner, Abitibi, initiated a NAFTA claim against Canada when Newfoundland expropriated property there, including some belonging to Exploits Hydro Partnership, in which Fortis owns 51% and Abitibi 49%, and

WHEREAS, Central Hudson workers would only be guaranteed jobs for a two year period, after which Fortis can begin to outsource work, and

WHEREAS, IBEW Local 320 is strongly opposed to this merger due to the loss of long term local jobs, which would devastate the Hudson Valley, now, therefore be it

RESOLVED, that the Ulster County Legislature, at this time, cannot support the proposed merger of Central Hudson and the multinational corporation Fortis, Inc., as it has been proposed, and be it further

RESOLVED, that the Ulster County Legislature urges the Public Service Commission (PSC) to extend the period for public comment so that the Legislature, and other interested parties, can have time to assess the full implications and potential impacts of the CH/Fortis merger, and be it further

RESOLVED, the Legislature urges the PSC to have a Public Recommended Decision, which will provide for a more transparent decision, and be it further

RESOLVED, the Clerk of the Ulster County Legislature is hereby directed to forward copies of this resolution to Governor Andrew Cuomo, members of the Public Service Commission c/o Jeffrey C. Cohen, Acting Secretary, Public Service Commission, New York State Senators John Bonacic and William Larkin, Jr., New York State Assemblymen Kevin Cahill, Peter Lopez and Frank Skartados,

and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 17 NOES: 0
(4 Abstentions: Legislators Aiello, Gerentine,
Maio and Maloney)
(Absent: Legislators Briggs and Fabiano)

Passed Committee: Laws and Rules, Governmental Services on March 18, 2013

Resolution No. 82 March 19, 2013

In Opposition to the Proposed Merger of Central Hudson and Fortis Inc.

FINANCIAL IMPACT:

NONE

0185

STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 19th Day of March, 2013, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 21st Day of March in the year Two Thousand and Thirteen.

|s| Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature