



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Applauds State Comptroller's Report on Lipa's Handling of Hurricane Earl

CHARLES J. FUSCHILLO JR. January 3, 2011

New York State Senator Charles J. Fuschillo, Jr. (R-Merrick) applauded a **report** recently issued by State Comptroller Tom DiNapoli on LIPA's response to Hurricane Earl, which cost LIPA ratepayers an estimated \$33 million. Senator Fuschillo requested the review last September following reports on the cost of LIPA's response to the storm, which missed most of Long Island and caused only minimal damage. "I am pleased that State Comptroller Tom DiNapoli has issued a report regarding LIPA's emergency storm budgeting procedures. I strongly believe that LIPA's plan for Hurricane Earl was excessive and resulted in exorbitant ratepayer expenses. LIPA should follow the recommendations made by Comptroller DiNapoli to help reduce costs without compromising service," said Senator Fuschillo.

The Comptroller's report found that LIPA's 2010 storm response costs are estimated at over \$200 million, 640 percent over its budgeted amount of \$27 million. The authority overspent its budgeted storm expenses by an average of 80 percent since 2001. While the review found that LIPA appears to have adhered to established storm protocols in responding to Hurricane Earl, it also found that LIPA can potentially save millions of dollars in pre-storm staging costs by exploring alternatives to committing to out-of-area work crews so far in advance of a storm. LIPA contracted with approximately 1,600 out of area crews days in advance of Hurricane Earl to travel to Long Island to aid in storm response.

Recommendations in the report include improving the methodologies LIPA uses to develop storm response budgets so that they can better contain costs while still being prepared to proactively respond to storms. Additionally, the report recommends that LIPA fully disclose a detailed accounting and justification of actual costs incurred for Hurricane Earl once those costs are known and finalized.

A recent *Newsday* story stated that LIPA "agreed with the findings and has already begun to make changes."

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