



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Announces Senate Passage of Legislation to Increase Oversight of Lipa

CHARLES J. FUSCHILLO JR. April 4, 2011

| ISSUE: **ENERGY**

Legislation Would Require LIPA to Obtain PSC Approval Before Raising Rates

Senator Charles J. Fuschillo, Jr. (R-Merrick) today announced that the New York State Senate approved legislation he cosponsored requiring LIPA to get approval from the New York State Public Service Commission (PSC) before raising its rates. The measure is designed to better protect LIPA ratepayers, who pay some of the highest utility bills in the country, by creating additional oversight of LIPA's rate setting practices.

Senator Fuschillo, a member of the Senate's Energy Committee, said, "LIPA customers are tired of paying some of the highest utility rates in the country; they want to know that LIPA is being held accountable for the way it spends ratepayer dollars. LIPA's two recent overcharges, which led to ratepayers being overcharged by a combined \$367 million, are just one of many examples why Long Islanders want greater oversight of LIPA. This legislation is a great step forward which will better protect LIPA ratepayers. I am pleased that it has been passed by the Senate."

The legislation (S2581) creates greater oversight of LIPA by requiring LIPA to notify the PSC prior to implementing an increase in average customer rates exceeding 2.5 percent over a 12-month period. Those hikes, as well as extensions or reestablishment of any portion of a temporary rate increase over 2.5 percent, would also be subject to a full evidentiary hearing and could not move forward without approval from the PSC.

LIPA customers have long questioned LIPA's handling of their ratepayer dollars. LIPA recently disclosed two overcharges which cost ratepayers a combined \$367 million. In addition, LIPA has previously used a practice of raising surcharges, rather than rates, to avoid scrutiny and additional oversight. These surcharges ultimately led to higher costs for ratepayers.

In addition to the legislation passed today, Senator Fuschillo and Senator George Maziarz will be holding a hearing on April 7, 2011, exploring ways to improve oversight of LIPA and ensure that it is accountable to ratepayers. The hearing starts at 10:30 a.m. at Farmingdale State College, 2350 Broadhollow Road, Lupton Hall, IRTT Room T101 in Farmingdale. The Senators will examine LIPA's handling of overcharges totaling \$367 million and explore what further measures are needed to improve LIPA's accountability to its ratepayers, among other issues.

"Our hearing will explore ways to give ratepayers better oversight, increased accountability, and greater transparency of LIPA, all of which are sorely needed," Senator Fuschillo added.

Senator Fuschillo has long been advocating for greater oversight of LIPA's rate increase practices.

####