



NEW YORK STATE SENATOR

Michael Gianaris

## Senator Gianaris Introduces Ratepayer Protection Act

MICHAEL GIANARIS April 11, 2011

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### *Targets Companies That Unfairly Raise Electric Rates*

Queens, NY – Senator Michael Gianaris announced that he will be introducing legislation to safeguard New Yorkers against unfair increases to electricity bills. The proposal, dubbed “The Ratepayer Protection Act” eliminates property tax exemptions and abatements for power-generating corporations that unfairly raise their rates. The legislation was introduced in response to the Federal Energy Regulatory Commission’s (FERC) decision to approve a rate hike by power generating companies in New York.

Recently, FERC approved the 12% increase in electricity rates for New York City residents and a 17.5% increase for New York City businesses, which would be implemented on May 28, 2011.

FERC approved this rate hike under the belief that power companies in New York City require another \$500 million per year due to property tax costs. Power generating companies in New York City, however, receive significant property tax discounts and therefore do not need a compensatory rate increase.

"This federally-authorized increase is totally unjustified. It represents a pure windfall and a transfer of wealth from working and middle-class people to power companies," stated Senator Gianaris. "My proposal would help protect residential and small business customers from these unjustified hikes. If unfair rate increases are approved, they should not be allowed to hurt ratepayers, who are already living paycheck-to-paycheck to make ends meet."

The Ratepayer Protection Act amends the real property tax law by exempting power-generating companies from receiving breaks in property taxes if the companies use the recent decision by FERC to increase their rates. The legislation also creates a fund with the money received from the rescinded tax exemptions and gives this money back to electric rate payers.

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