



NEW YORK STATE SENATOR

Kenneth P. LaValle

LaValle Bills Provide Full Public Service Commission Authority Over LIPA and Authorizes NYPA to Acquire LIPA as a Subsidiary.

KENNETH P. LAVALLE May 4, 2011

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New York State Senator Kenneth P. LaValle introduced two bills in the New York State Senate on Tuesday. The first places the Long Island Power Authority (LIPA) under the “full oversight” of the Public Service Commission (PSC). LaValle’s second bill allows the New York Power Authority (NYPA) to acquire LIPA as a subsidiary.

Since its creation in 1986, LIPA has been criticized for its lack of transparency and accountability to its ratepayers, said LaValle, and calls for investigations of LIPA have been commonplace. LIPA, LaValle said, has avoided scrutiny of increases by calling the increases “surcharges” and thereby avoiding oversight by the PSC.

LaValle said the new legislation subjects LIPA to the full oversight of the PSC.

LaValle’s second bill authorizes NYPA to acquire LIPA as a subsidiary, taking advantage of NYPA management while maintaining LIPA as a separate entity.

“In an era when government is seeking to consolidate, this alternative should be fully explored and adopted if it achieves transparency, better service, reduced management costs and lower rates,” LaValle said.