



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Calls for State Comptroller to Audit LIPA's Handling of Hurricane Earl

CHARLES J. FUSCHILLO JR. September 9, 2010

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Following reports that LIPA spent an estimated \$30 million on Hurricane Earl, leaving customers to potentially face a rate increase, New York State Senator Charles J. Fuschillo, Jr. (R-Merrick) today requested New York State Comptroller Tom DiNapoli to conduct an audit of LIPA's handling of the situation.

"I certainly understand LIPA's desire to be prepared for the worst, but spending an estimated \$30 million to pay for out of state crews who were not used seems excessive given that forecasts showed the storm was unlikely to hit the majority of the Island. The State Comptroller should review LIPA's handling of the situation and see if there is a better and more cost efficient way for them to prepare in the future," said Senator Fuschillo.

According to a *Newsday* story yesterday, LIPA estimated that it spent approximately \$30 million to pay for 1,600 outside utility contractors to come to Long Island in preparation for the storm. The article stated that LIPA has to fund a total of \$102 million in storm restoration costs for 2010, including Hurricane Earl, despite only budgeting \$27 million for storm response. LIPA would not rule out raising its rates to make up for the expenditures.

"With LIPA customers already paying some of the highest utility rates in the country, we need to be sure that the authority is operating in the most cost efficient manner as possible. The State Comptroller's audit would benefit ratepayers by identifying potential savings that would still allow LIPA to provide quality service. That's especially important at a time when every dollar counts," Senator Fuschillo added.

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