



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo to Hold Public Hearing Following Latest Lipa Mishap

CHARLES J. FUSCHILLO JR. February 11, 2011

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Following news that LIPA overcharged ratepayers by \$231 million, Senator Charles J. Fuschillo, Jr. (R-Merrick), a member of the Senate’s Energy & Telecommunications Committee, and Senator George Maziarz (R-Newfane), Chairman of the Senate’s Energy & Telecommunications Committee, will be holding a public hearing to explore ways to improve oversight of LIPA and ensure that it is accountable to ratepayers.

“LIPA ratepayers already pay some of the highest utility bills in the country, but yet another LIPA error results in hundreds of millions of dollars unnecessarily taken from their pockets. On top of that, LIPA wants ratepayers to wait three years to get paid back. LIPA’s latest ‘mistake’ just reinforces why we need to take steps to make LIPA’s accounting more accountable,” said Senator Fuschillo.

“The Energy Committee will continue to work diligently to protect consumers in every area of New York State. This hearing will help us get to the bottom of the LIPA billing scandal, and hopefully it will lead to actions and reforms to make sure it never happens again,” said Senator Maziarz.

Senator Ken LaValle (R-Port Jefferson) and Senator Carl Marcellino (R-Syosset) will join Senator Fuschillo and Senator Maziarz in holding the public hearing.

“LIPA needs greater oversight of how they compute their rates, particularly in these difficult economic times. In speaking to industry experts, it was communicated to me that if LIPA had appeared before the Public Service Commission on a regular basis, the overcharge error would have without a doubt been discovered much earlier. The same industry experts said that this overcharge blunder could very well hurt LIPA's bond rating,” stated Senator LaValle.

“While it is well and good that LIPA has announced they will repay their ratepayers for the 'lost' power, forgive me if I am left skeptical and needing far more detailed information. LIPA customers paid a steep price for this careless blunder. They deserve answers on how this happened and assurances that it will never happen again,” said Senator Marcellino, Chairman of the Senate Investigations and Government Operations Committee.

The public hearing will:

- * Examine LIPA's handling of the \$231 million overcharge, along with other matters, including financial practices;
- * Receive input on Senate bill S2581, sponsored by Senator LaValle, requiring the State's Public Service Commission to approve any LIPA rate increases over 2.5%;
- * Further explore what measures are needed to improve LIPA's accountability to its ratepayers.

The public hearing will be scheduled at a future date.

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