



NEW YORK STATE SENATOR

Kenneth P. LaValle

LIPA Oversight Bill Unanimously Passes Senate.

KENNETH P. LAVALLE January 30, 2012

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New York State Senator Kenneth P. LaValle (R-C, Port Jefferson) and Assemblyman Bob Sweeney (D-Lindenhurst) announced that legislation they crafted in concert with Governor Cuomo has been unanimously passed by the New York State Senate. The legislation will, once signed by the Governor, create the “Long Island Power Authority Oversight and Accountability Act.” The bill previously unanimously passed the Assembly.

Senator LaValle and Assemblyman Sweeney said that the bill seeks “to provide wide-ranging oversight over the business and rate-making practices of the Long Island Power Authority. LIPA’s customers will benefit by having the review performed under the direction of the professional staff of the New York State Department of Public Service (DPS).”

“Long Island ratepayers will benefit from comprehensive review of LIPA’s practices by professional auditors,” LaValle said. The bill also provides ratepayers with a place to have complaints heard and remedied. Long Islanders have suffered too long due to the lack of strong oversight over the practices and ratemaking of LIPA.”

Assemblyman Sweeney said that “for the first time there would be meaningful oversight of LIPA. This legislation will require that either the DPS or an independent auditor review whether LIPA is complying with the law requiring that rates be at the lowest level consistent

with sound fiscal operating practices. The auditor will be working for and under the direction of the DPS”.

“For the first time, LIPA ratepayers will be able to have complaints reviewed by the Consumer Protection Division of the New York State Department of State. The Division will be empowered to investigate complaints of any kind from LIPA consumers. This is a far better alternative than asking LIPA to review its own actions”, said Sweeney.

LaValle said the “bill requires LIPA to undergo comprehensive and regular management and operations audits to maximize the Authority's operational efficiencies through review of internal procedures and policies.”

The bill requires that the first audit be initiated immediately. The second audit would be initiated no later than December 15, 2015 and all additional audits would be initiated at least once every five years thereafter. The bill also provides the public an opportunity to be involved in the parameters of the audit by requiring public statement hearings to be held in both Nassau and Suffolk Counties at the beginning of each audit process.