



NEW YORK STATE SENATOR

Joseph A. Griffo

Griffo Calls on PSC to Investigate Heating Bills

JOSEPH A. GRIFFO April 3, 2014

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UTICA – Senator Joseph A. Griffo has written a letter asking the Public Service Commission to uncover the true reason behind skyrocketing heat and electric bills.

“I’ve heard from several people about how bills doubled and tripled this winter – and it can’t be all explained by just using more of the utilities,” said Griffo. “We need to find out which entities are gouging customers and how they can be stopped.”

Some of the reasons for a cost increase are known, the senator said.

The colder weather has increased demand for natural gas, which is used by many to heat their homes and business. Since 55 percent of New York’s power-generating capacity also runs on natural gas, the supply is further diminished. The supplier then offers the remainder at a premium. As electricity demand increases, more costly and less efficient plants are restarted to meet customer needs.

Utilities hedge against these price spikes by purchasing gas and electricity supplies at lower rates in the spring. But if they underestimate demand, they must return to the market at a time when natural gas stockpiles are at their lowest level in almost six years.

National Grid customers experienced severe shocks after receiving a temporary reprieve from price increases in February. That’s when state regulators agreed to defer the commodity price of power. Unfortunately, that only made March’s bill worse when customers faced the full increase of retail prices since January.

The result is National Grid customers paying, on average, about double what they were spending during winter months in 2012 and 2013.

In his letter, Griffo asked the PSC to partner with the Federal Energy Regulatory Commission to review the natural gas markets during the winter spikes to ensure that they were operating in a competitive manner. He also asked the agencies to make sure that all pipeline capacity is being utilized.

“I’ll be advocating for public hearings on the hedging practices of utilities and what, if any, legislative action could be undertaken to inoculate customers from future, unexpected fluctuations in costs,” Griffo wrote. “I also think it’s time to reconsider establishing a consumer advocate in either the Department of Public Service or the Attorney General’s Office to represent taxpayers’ interests in these matters.”

Griffo also invited the PSC’s commissioners to a town-hall style meeting in his district.

“It’s important that you hear directly from consumers about their concerns,” he wrote. “And I’d like for them to hear from you what you are doing to prevent additional shocks to the system.”

In the interim, Griffo is urging his constituents to research the different electric and gas suppliers and take advantage of the open, competitive market if possible. Customers can shop and compare prices at <http://www.newyorkpowertochoose.com>.