



NEW YORK STATE SENATOR

George D. Maziarz

Sen. Maziarz to PSC: Return Ratepayer Money Immediately

GEORGE D. MAZIARZ June 13, 2014

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Senator George Maziarz (R-I-C, Newfane), Chairman of the Senate Energy and Telecommunications Committee, expressed outrage and disbelief at the revelations from yesterday's meeting of the Public Service Commission (PSC) suggesting that the commission has failed to properly monitor the collection of taxes from the onerous 18-a surcharge, allowing ratepayers to be overcharged by \$250 million.

"You can call it an overcharge or you can use the PSC's language and call it building a positive cash balance, but either way ratepayers are owed a full refund and lawmakers are owed a full accounting and explanation," said Senator Maziarz. "The 18-a surcharge on its face is horrible public policy that hurts individual citizens and businesses alike, and has a particularly pernicious impact on elderly people on fixed incomes. Now we find out that from an apparent lack of oversight, the PSC has made a horrible situation much, much worse."

The 18-a assessment (called the temporary utility assessment) was adopted over the opposition of Senator Maziarz and the entire Republican Conference in 2009. Since then Senator Maziarz and Senate Republicans have been successful in reducing it, and putting the state on the path to its final elimination by December 31, 2017. This energy assessment is one of many that appear on customers' utility bills, several of which were adopted unilaterally by the PSC without legislative approval and are not subject to budgetary appropriation.

In addition to the 18-A surcharge, ratepayers also pay assessments related to the renewable portfolio standard (RPS), Energy Efficiency Portfolio Standard (EEPS), Systems Benefit Charge (SBC), as well as picking up the tab for sales taxes, local gross receipts taxes, and, of course, property taxes. The RPS, EEPS, and SBC charges were all instituted solely by the PSC without legislative approval and independent from legislative fiscal oversight. Together these charges make up 25-30% of the utility delivery charges on consumer bills, and contribute to New York having the third highest energy costs in the nation, according to the Public Policy Institute.

“At yesterday’s session Chairwoman Zibelman said that a PSC meeting is not the correct forum to debate tax policy. I agree that this is the purview of the Legislature. Therefore the PSC should take its own advice and get out of the business of creating and collecting new fees and taxes on ratepayers, and driving up energy bills,” Maziarz said.

In order to address this situation, Senator Maziarz has introduced Senate Bill 5484, the energy tax cap and assessment moratorium bill, which is currently on the Senate calendar. This bill, which has been praised by The Business Council of New York State, would cap the collection of current PSC-imposed surcharges and prohibit the PSC from creating any new tax or fee without legislative approval.

“Commissioner Burman rightly pointed out the negative impact that these taxes and fees are having on ratepayers and I very much appreciate her candor at yesterday’s meeting,” Senator Maziarz added. “I am pushing hard for a vote on S.5484 by the end of session next week and I call on all of my colleagues to support this legislation that will benefit businesses and consumers across New York State, and reclaim the legislature’s rightful role in determining matters of energy and fiscal policy.”

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