



**PRESS RELEASE FROM
JOHN M. KENNEDY, JR.**

**SUFFOLK COUNTY
COMPTROLLER**



**FOR IMMEDIATE RELEASE:
June 9, 2015**

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Comptroller Kennedy and Supervisor Romaine call on State Comptroller DiNapoli to Review and Reject PSE&G's 4% Rate Hike

June 9, 2015 – Suffolk County Comptroller John M. Kennedy, Jr. joined Brookhaven Supervisor Ed Romaine and members of the Town Council in calling on New York State Comptroller Thomas DiNapoli to undertake a review of the proposed \$440 million LIPA/PSEG rate increase and reject it.



(From L to R Brookhaven Supervisor Ed Romaine, Councilwoman Valerie Cartwright, Councilwoman Constance Kepert, Deputy Town Supervisor Dan Panico, Comptroller John M. Kennedy, Jr., Councilwoman Jane Bonner, and Brookhaven outside counsel Robert Calica)

Since May, Comptroller Kennedy has been given "party status" in the review of the rate proceedings by the New York State Department of Public Service (DPS). The DPS has also granted "party status" to the Town of Brookhaven; International Brotherhood of Electrical Workers Local 1049; Nassau County; the Natural Resources Defense Council; and NRG Energy, Inc.

At today's press conference, both Comptroller Kennedy and Supervisor Romaine maintained that the PSEG/LIPA proposed \$221.3 million aggregate increase in Consumer Delivery Charges over a three-year period (average increase of 4%), is excessive. He also noted that the recent calculation error by the DPS that originally called for a reduction in the increase of 78.4% and later changed to a 37% reduction is clear evidence that the rate hike should be reviewed by an independent auditor.

Supervisor Romaine said, "Electric rates on Long Island are among the highest in the country and Brookhaven Town is one of PSEG's biggest customers," said Supervisor Romaine. "We are still in a recession and many Brookhaven residents struggle to pay their bills and feed their families, but there appears to be no end to rate hikes. The increase is unfair to taxpayers and PSEG must be held accountable. The Town needs to keep the pressure on PSEG to go back to the drawing board and come up with a better plan."

Comptroller Kennedy said, "PSEG-LI, in seeking multi-year rate increases, is negating the very real constraints that all governments, including Suffolk County, must now operate under. The County has invested more than \$27 million over a period of years in energy consumption mitigation projects, collectively reducing annual County utility costs by \$5 million. If the rate increase is adopted, Suffolk County stands to pay almost \$1 million a year more following the final impact of the 36 month rate increase plan. It is unwarranted, it is too high, and the increase should be summarily rejected."

In an April 10 letter to Kathleen H. Burgess, Secretary of the New York State Public Service Commission (PSC), Comptroller Kennedy urged her to reject the proposed PSEG Long Island rate hike in the delivery portion of the customer bill. He noted that delivery rates charged to ratepayers have increased in 2014 and will increase in 2015. Based on the proposed 3 year rate plan, they will continue to rise in 2016 through 2018. Compared to 2013 rates, delivery charges will increase by as much as 26 percent in winter and 8.8 percent in the summer through 2018.

In a recent motion filed by PSC staff counsel against PSEG before the Administrative Law Judge presiding over the Rate Hike Application, PSC counsel complained about PSEG's failure to provide critical financial information to the PSC staff needed to evaluate the pending Rate Hike Application. The PSC staff's motion complained that PSEG failed for months to provide critical information in response to several requests, provided "nonresponsive" information to others, and has "impeded" the PSC staff's ability to evaluate the Rate Hike Application.

The PSC staff has acknowledged that the current PSEG Rate Hike Application is the "first time in 20 years" that the Commission has reviewed a Long Island rate increase application, and acknowledges that it is "unfamiliar with PSEG's business model." This renders PSEG's refusal to provide necessary financial disclosure and explanations critical to a fair outcome for County ratepayers.

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