

# COUNTY OF SUFFOLK



## OFFICE OF THE COMPTROLLER

JOHN M. KENNEDY, JR.  
Comptroller

April 10, 2015

Hon. Kathleen H. Burgess, Secretary  
New York State Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Proposed PSEG Long Island rate increase

Dear Secretary Burgess:

On January 30, 2015, PSEG Long Island submitted a three-year rate plan for 2016 through 2018 for review by your department in accordance with Public Service Law § 3-b and Public Authorities Law §1020-f.

As the newly elected Suffolk County Chief Fiscal Officer and a ratepayer, I strongly urge you to reject the proposed PSEG Long Island rate increase of a 4 percent rate hike in the delivery charge portion of the customer bills. Within this plan, Long Island ratepayers are left with too many uncertainties about costs soaring even higher in the future and are left with dread over the next 3 years.

As you may know, many Long Island ratepayers are attending and expressing their opposition to this proposed rate hike at local public hearings. It is disheartening to us as local public officials to tell our 1.5 million Suffolk County residents that New York State does not have an independent utility consumer advocate for residential utility customers. The public comes to us for answers to their questions. Likewise, we depend on you - the State Public Service Commission to be our utility watchdog. We would like to have more of a voice for our residents. We are now depending on you to explain why so much is being asked of us each year. We are depending on you to prove to us that PSEG is acting in Long Island's best interest and how we can better understand why we are being asked to do 'more with less' when PSEG LI is asking for a whopping \$72 million each year through 2018. That excessive amount of money being given to a quasi-governmental entity that is supposed to be a leader in management performance yet decides to increase the average residential customer's bills when its own employees live and work on Long Island is questionable.

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Governor Cuomo's property tax cap last year said no increase should be approved above the 2 percent that local governments and school districts must live with. It was a welcome relief to many. Local governments and school districts are striving to adhere to this mandate. The State's budget problems are immense; but the action of PSEG LI is one of the many reasons driving residents off Long Island and out of the State with so many taxes and fees. Our ratepayers are hurting and struggling to remain in their homes. Senior citizens and others living on a fixed income can no longer be ignored.

Delivery rates charged to LIPA ratepayers have increased in 2014, will increase again in 2015 and based on the proposed 3 year rate plan, those rates will continue to rise in 2016 through 2018. When compared to actual residential bills for a winter and summer month in 2013, LIPA/PSEG LI delivery charges will increase by as much as 26 percent (winter) and 8.8 percent (summer) through 2018.

Newsday reported that *PSEG Long Island executive pay remains secret under state deal* in an article of March 15, 2015. The article reports that PSEG Bruce Miller, an attorney for PSEG in the three-year, 4 percent per year rate proposal, that management salaries are kept secret in order to protect the utility's system and release of this information and other information would cause "substantial injury." What about the average rate-paying resident?

As we understand it, the concept of time-variant pricing is something that is being looked at and included in the ongoing regulatory review of the proposed rate plan. These pilots have been implemented in a few utility service territories across the country and it would seem that there are potential savings opportunities for consumers. This type of a pricing program would be, I believe, welcomed by consumers. It would be a sign of good faith on PSEG LI's part to at least begin a pilot program sooner rather than later.

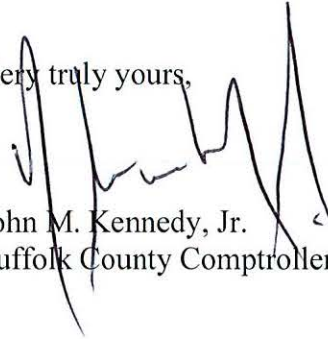
Please force PSEG LI to stay in line like the rest of us on Long Island and stick to a conservative game plan. If PSEG LI would only live up to its promises - to be an industry-leading electric company that delivers best in class reliability and storm response and commitment to a strong level of involvement in the communities in which they work and live, they need to go back to the drawing board and show us how they can do more with less...just like us.

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By way of this letter, I respectfully ask that the Public Service Commission recognize me in my capacity as the Suffolk County Comptroller to act as an intervener in this rate application. Further, I ask that a complete calendar of proceedings and any further opportunity to submit comments be sent to my office.

Thank you.

Very truly yours,



John M. Kennedy, Jr.  
Suffolk County Comptroller

cc: Long Island Delegation