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SENATOR, 61ST DISTRICT

CHAIRMAN  
COMMITTEE ON CORPORATIONS,  
AUTHORITIES & COMMISSIONS

December 4, 2014

THE SENATE  
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Hon. Audrey Zibelman  
Chair, Public Service Commission  
Empire State Plaza, Agency Building 3  
Albany, NY 12223-1350

Re: Public Service Commission - Case #: 14G-0357

Dear Chairwoman Zibelman,

I am writing in regards to a critical issue currently before the Public Service Commission that will have a negative impact on the 28,000 licensed master plumbers operating in New York State, and the many thousands of gas utility customers across the state who will see their utility rates needlessly increase.

Recently, the Department of Public Service issued a regulatory proposal that would amend the definition of a "service line" as it relates to gas piping under NYCRR 16 Part 255.3. After careful analysis of this proposal, it appears that this proposal is likely to reduce jobs, increase gas utility rates and serve no clear health or safety purpose. At a time when many families are struggling to make ends meet, it is clearly inappropriate to add to their financial burden.

The Public Service Commission ("PSC"), in seeking to conform to the federal definition of "service line", will inadvertently trigger existing regulations that will force plumbers to become "operator qualified" to service lines within buildings. This new designation will require licensed master plumbers to undergo costly and duplicative training. In addition, plumbers will have to contract with a utility to perform work on about 10 feet of dead pipe. Historically, licensed master plumbers have installed this small area of gasless piping for decades without incident. Each of these consequences will almost certainly raise costs for utilities and, in due course, raise the costs to consumers.

The Northeast Gas Association submitted to the PSC, a report that estimated this proposal would cost upwards of \$55 million to implement. It is conceivable that much of the added costs to operate this utility training program and to implement new contract formats will be passed down to the ratepayers who are already overburdened by utility costs, and because of increased costs and processing, lead to fewer job opportunities. Further, this proposal runs counter to many

of the existing local government licensing and safety laws, which have been an example for other governments around the nation.

I commend your commitment to protecting state residents. However, this proposal appears unnecessary given that many municipalities around the state have in place laws with stringent training requirements that far exceed the operator qualification regulations that this proposal would trigger. It is a regulation without discernible benefit and readily identifiable costs. New York already has too many such regulations; we do not need another.

It is my recommendation that the Public Service Commission provide an exemption for licensed master plumbers from the "operator qualification" provisions, at least as it pertains to that portion of piping within buildings that were previously exempted, before it acts on the "service line" definition amendments.

Thank for your consideration of this matter, If you have any questions or would like to discuss this matter, please do not hesitate to contact me.

Very truly yours,



MICHAEL H. RANZENHOFER  
State Senator

MHR/mrh

CC: Hon. Diane X. Burman  
Hon. Patricia L. Acampora  
Hon. Gregg C. Sayre  
Hon. Garry A. Brown



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