

Name

Hon. Fred W. Thiele, Jr.

Company

New York State Assembly

Your Comment

Millions of customers across Long Island depend on LIPA to meet their energy needs. In 1986, when LIPA was created, the vision of its sponsors was the creation of a public power company to replace Long Island's unaccountable, profit-driven, private utility (LILCO). It is imperative that we return to that vision. Long Islanders deserve a power company that is transparent and accountable directly to the ratepayers.

In 2013, after Superstorm Sandy, the State Legislature enacted the so-called "LIPA Reform Act". I voted "no," as it was clear this legislation would not change anything and was certainly not going to bring LIPA in line with the true public utility governed by Long Islanders that was envisioned in 1986. First, responsibility for Long Island's electric system was turned over to PSEG, a New Jersey company with no accountability to Long Island. Second, LIPA was reduced to a shell company, whose existence was continued only to maintain eligibility for federal tax benefits. LIPA's board was still appointed by political leaders from Albany. LIPA's authority to oversee the actions of PSEG-LI was limited. The State Comptroller's oversight authority was eliminated. The New York State Public Service Commission (PSC), whose job it is to regulate utilities, was given no oversight at all.

Since 2013, Long Island has seen the single largest rate increase in the history of LIPA. LIPA's debt has continued to grow to an historic level. In spite of the fact that PSEG-LI was the recipient of more than \$720 million in federal funding, we were told the rate increases and the increased debt were needed to prepare for the next big storm. The infrastructure would be hardened, and communications would be improved. We would be ready. What did we get for our investment?

We need not look further than PSEG-LI's complete failure in responding to and mitigating the impacts of Tropical Storm Isaias last year to recognize the necessity of establishing public power on Long Island.

PSEG's disastrous tenure has resulted in higher costs for ratepayers, poorer service and warranted public frustration. Privatization was a failure under LILCO. The breach of trust exhibited by PSEG-LI cannot be repaired. The model for contracting out LIPA's responsibilities to a private company is a two-time loser, and cannot continue. I urge LIPA to move with all deliberate speed to cancel the contract with PSEG-LI and establish a true public utility, which LIPA estimates could save between \$65-\$75 million a year.

It is clear that the intent of the 1986 law and the goal of a state public utility for Long Island are not going to be fulfilled, unless LIPA terminates its contract with PSEG and

establishes a true public utility. For years, LIPA has been a political football and Long Islanders have been pawns in that game. Long Islanders deserve a power company that is accountable directly to the ratepayers. Further, we must take direct responsibility for the company's operation and our energy future. After decades of failure, let's return to the original mission of the 1986 LIPA Act, a public utility accountable directly to Long Islanders. Transparency, accountability, and oversight.