Legislation Details (With Text)

File #:	Res 0162-2022	**Version:**	*	**Name:**	Amendments to article 4 of the Public Service Law to prevent a utility's rate case from exceeding a certain percentage each year.
Type:	Resolution			**Status:**	Adopted
				In control:	Committee on Consumer and Worker Protection
On agenda:	5/19/2022				
Enactment date:				**Enactment #:**	
Title:	Resolution calling on the New York State Legislature to pass, and the Governor to sign, amendments to article 4 of the Public Service Law to prevent a utility's rate case from exceeding a certain percentage each year.				
Sponsors:					
Indexes:					
Attachments:	1. Res. No. 162, 2. May 19, 2022 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 5-19-22, 4. Minutes of the Stated Meeting - May 19, 2022, 5. Committee Report 6/30/22, 6. Hearing Testimony 6/30/22, 7. Hearing Transcript 6/30/22, 8. Committee Report 7/13/22, 9. Hearing Transcript 7/13/22, 10. Committee Report - Stated Meeting, 11. July 14, 2022 - Stated Meeting Agenda, 12. Hearing Transcript - Stated Meeting 7-14-22, 13. Minutes of the Stated Meeting - July 14, 2022				

Date	Ver.	Action By	Action	Result
5/19/2022	*	City Council	Introduced by Council	
5/19/2022	*	City Council	Referred to Comm by Council	
6/30/2022	*	Committee on Consumer and Worker Protection	Hearing Held by Committee	
6/30/2022	*	Committee on Consumer and Worker Protection	Laid Over by Committee	
7/13/2022	*	Committee on Consumer and Worker Protection	Hearing Held by Committee	
7/13/2022	*	Committee on Consumer and Worker Protection	Approved by Committee	Pass
7/14/2022	*	City Council	Approved, by Council	Pass

Res. No. 162

Resolution calling on the New York State Legislature to pass, and the Governor to sign, amendments to article 4 of the Public Service Law to prevent a utility's rate case from exceeding a certain percentage each year.

By Council Members Lee, Louis, Nurse, Yeger, Kagan, Menin, Marte, Farías, Williams, Holden, Brooks-Powers, Schulman, Dinowitz, Ossé, Narcisse, Richardson Jordan, Bottcher, Abreu, Restler, Avilés, Hudson, De La Rosa, Cabán, Gennaro, Sanchez, Ariola and Paladino

Whereas, The New York Public Service Commission (PSC) regulates the State's electric, gas, steam, telecommunications and water utilities; and

Whereas, The Commission also oversees the cable industry; and

Whereas, The Commission is housed within the Department of Public Service (DPS) and the Chair, designated by the Governor, also serves as the Chief Executive Officer of the Department; and

Whereas, A key responsibility of the PSC is approving rate increases, proposed by the various utility companies, and ensuring that New Yorkers are receiving adequate service; and

Whereas, In New York City, Consolidated Edison of New York (ConEd) holds a virtual monopoly over the electricity market, serving all parts of New York City (except for Rockaway, Queens), and Westchester County; and

Whereas, Although there are alternative electricity suppliers, all of these Energy Service Companies (ESCOs) still rely on existing utilities' infrastructure to deliver the electricity; and

Whereas, Therefore, most New York City residents are at the mercy of ConEd's billing practices; and

Whereas, The PSC exists to offer some protection to consumers - being a check on superfluous rate increases and ensuring a consistent and reliable delivery of utilities; and

Whereas, However, over the past few years, the PSC has approved rate case increases for ConEd, and New Yorkers have had their electricity bills soar; and

Whereas, This is despite the fact that New York City residents have experienced numerous blackouts and decreased services, even during heatwaves; and

Whereas, In fact, while investigating ConEd's preparation for tropical Storm Isaias and its ability to restore power after the storm hit, the DPS threatened to revoke its franchise; and

Whereas, Despite these demonstrated failures in service, the PSC continues to approve rate case increases; and

Whereas, According to advocates such as Susan Lerner from Common Cause NY, the PSC Commissioners are typically plucked from private industry and are more concerned with industry profit than consumer wellbeing; and

Whereas, ConEd is proposing an 11.2 percent increase in electric rates and an 18.2 percent increase in gas rates starting in January 2023; and

Whereas, According to ConEd, annual increases in utility rates are needed for ConEd to operate its energy system, invest in energy efficiency and public improvement projects and advance NYS's clean energy transition; and

Whereas, ConEd also pays $2.5 billion in property taxes annually to municipal and state entities, the majority of which goes to the City of New York; and

Whereas, According to ConEd, "the costs of taxes are socialized across our customer base"; and

Whereas, ConEd has therefore acknowledged that part of its annual rate case is for City residents to pay for ConEd's property taxes; and

Whereas, ConEd reported over $11.716 billion in operating revenues in 2021, up from $10.647 billion in 2020; and

Whereas, City residents have meanwhile struggled to recover from the economic impact of the pandemic; and

Whereas, The NYC Independent Budget Office predicts that New York City will not recover all of the jobs lost in 2020 until 2025; and

Whereas, As ConEd proposes another rate case increase for January 2023, City residents struggling to pay their bills will enter even greater debt; and

Whereas, ConEd is a member of the industry group Edison Electric Institute, which spends millions of dollars annually on state and federal lobbying efforts; and

Whereas, Given its near monopoly status as a utility in NYC, ConEd has near assurance that it will continue to generate profits in future years; and

Whereas, Beyond the PSC rejecting a rate case proposal, there are no mechanisms to prevent a utility from proposing an exorbitantly high rate case; and

Whereas, To enhance consumer protections and hold ConEd and other utilities more accountable, there should be a percentage cap that an annual rate case cannot exceed; and

Whereas, This regulation would prevent utilities from proposing excessive rate case increases, therefore requiring utilities to invest more of their own money to pay taxes or public improvement projects instead of passing these costs on to City residents; now, therefore, be it

Resolved, That the Council of the City of New York on the New York State Legislature to pass, and the Governor to sign, amendments to article 4 of the Public Service Law to prevent a utility's case rate from exceeding a certain percentage each year.

NM
LS #8424
4/20/2022