

5536

2013-2014 Regular Sessions

I N S E N A T E

May 16, 2013

Introduced by Sen. MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, the public buildings law, the state finance law, the tax law, the real property tax law and the public authorities law, in relation to expansion of natural gas service

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative intent. The legislature hereby finds that the
2 expansion of natural gas service for heating purposes has multiple bene-
3 fits to New Yorkers, including a reduction in pollution with the result-
4 ant health benefits from the conversion to a cleaner fuel, increased
5 economic activity with the creation of jobs necessary to expand natural
6 gas service, energy cost savings to consumers, and an increase in energy
7 efficiency particularly through the use of natural gas for water heating
8 versus electric or propane.
9 Natural gas is the cleanest burning fossil fuel. It has a positive
10 impact on the environment by cutting emissions of particulate matter
11 emitted by heating oils. These emissions have been linked to heart and
12 lung conditions and contribute to asthma rates, particularly in urban
13 areas. There are greater annual emissions reductions from natural gas
14 conversion than the use of solar. Without expansion of natural gas
15 service there are limited opportunities for conversion to clean heat
16 from oil and propane. There are approximately 550,000 residential
17 customers in New York State that currently burn other fuels who are
18 located near natural gas service.
19 Natural gas prices are at a low point and the availability of natural
20 gas eliminates any reliability issue. Savings in heating costs through
21 natural gas conversion will result in increased disposable income for
22 consumers. It also creates a positive incentive for manufacturers and

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 other businesses which are looking to stabilize their energy costs.
2 Natural gas expansion provides a positive inducement for economic devel-
3 opment in the business sector.

4 Expanded natural gas service and conversions from oil would benefit
5 plumbers, wholesalers and distributors of natural gas heating equipment,
6 and manufacturers of such equipment. Gas corporations and combined gas
7 and electric corporations would be required to employ more construction
8 crews to respond to the work required for natural gas expansion. This
9 increased activity would result in significant job creation in New York
10 state.

11 The use of natural gas water heaters would be incented by natural gas
12 expansion. Natural gas water heaters are more economical and energy
13 efficient than electric hot water heaters.

14 This legislation will have the effect of protecting the state's
15 natural resources, including protecting its atmosphere from pollution,
16 while at the same time stimulating the development of new jobs and the
17 economy.

18 This legislation works in tandem with Case 12-G-0297, a proceeding
19 currently pending before the public service commission to examine poli-
20 cies regarding the expansion of natural gas service.

21 S 2. The public service law is amended by adding a new section 27 to
22 read as follows:

23 S 27. EXPANSION PERMIT APPLICATIONS. ANY GAS CORPORATION OR COMBINA-
24 TION GAS AND ELECTRIC CORPORATION APPLYING FOR PERMITS IN CONNECTION
25 WITH THE EXPANSION OF NATURAL GAS SERVICE MAY CONFER WITH THE COMMISSION
26 TO OBTAIN ASSISTANCE IN FACILITATING CONTACTS WITH STATE AGENCIES AND
27 LOCAL GOVERNMENTS FOR PROCESSING AND REVIEWING PERMIT APPLICATIONS TO
28 ACHIEVE THE PROMPT AND EFFICIENT PROCESSING AND REVIEW OF APPLICATIONS.
29 THE PUBLIC SERVICE COMMISSION MAY ACT AS LEAD AGENCY PURSUANT TO ARTICLE
30 EIGHT OF THE ENVIRONMENTAL CONSERVATION LAW, IN CONNECTION WITH THE
31 EXPANSION OF NATURAL GAS SERVICE BY A GAS CORPORATION OR COMBINATION GAS
32 AND ELECTRIC CORPORATION FRANCHISED UNDER THIS CHAPTER. THE DEPARTMENTS
33 OF TRANSPORTATION AND ENVIRONMENTAL CONSERVATION SHALL, TO THE MAXIMUM
34 EXTENT FEASIBLE, ESTABLISH PROCEDURES TO EXPEDITE PERMIT APPLICATIONS IN
35 CONNECTION WITH THE EXPANSION OF NATURAL GAS SERVICE.

36 S 3. The public service law is amended by adding a new section 18-d to
37 read as follows:

38 S 18-D. SURCHARGES. NOTWITHSTANDING ANY LAW, RULE, REGULATION OR ORDER
39 TO THE CONTRARY, THE COMMISSION SHALL, COMMENCING APRIL FIRST, TWO THOU-
40 SAND FOURTEEN, DEDICATE NO LESS THAN TWENTY-FIVE PERCENT OF THE AMOUNTS
41 OF THE SURCHARGE FOR THE SYSTEM BENEFIT CHARGE COLLECTED BY GAS CORPO-
42 RATIONS AND COMBINATION GAS AND ELECTRIC CORPORATIONS FROM THEIR GAS
43 HEATING CUSTOMERS TO THE EXTENSION AND EXPANSION OF NATURAL GAS FACILI-
44 TIES. THE COMMISSION SHALL BE AUTHORIZED TO INCREASE SUCH AMOUNTS TO
45 MORE THAN TWENTY-FIVE PERCENT AFTER A PROCEEDING TO CONSIDER SUCH
46 ACTION. THE COMMISSION SHALL USE SUCH FUNDS TO ESTABLISH THE FOLLOWING
47 PROGRAMS: A REVOLVING LOAN FUND WHICH WOULD EXCEED THE PAYBACK PERIOD OF
48 NATURAL GAS CONVERSION TO ENABLE CUSTOMERS TO FUND CONVERSION TO NATURAL
49 GAS; AND ALSO A SUBSIDY PROGRAM FOR LOW INCOME CUSTOMERS.

50 S 4. The public buildings law is amended by adding a new section 143
51 to read as follows:

52 S 143. CLEAN NATURAL GAS HEAT IN PUBLIC BUILDINGS. EACH CAPITAL
53 PROJECT FOR A PUBLIC BUILDING THAT INCLUDES THE INSTALLATION OR REPLACE-
54 MENT OF A BOILER FOR HEATING SHALL REQUIRE THE COMMISSIONER OF GENERAL
55 SERVICES TO UNDERTAKE A STUDY OF ENERGY EFFICIENCY, ENVIRONMENTAL EFFI-
56 CACY AND COST OF USE OF AND CONVERSION TO NATURAL GAS HEATING. SUCH

1 STUDY SHALL CONSIDER THE BENEFITS TO SURROUNDING COMMUNITIES IN THE
2 EVENT THAT IT IS NECESSARY TO EXTEND A MAIN PIPELINE IN EXCESS OF ONE
3 HUNDRED FEET TO OBTAIN SUCH SERVICES.

4 S 5. The state finance law is amended by adding a new section 92-gg to
5 read as follows:

6 S 92-GG. GAS EXPANSION MITIGATION FUND. 1. THERE IS HEREBY ESTABLISHED
7 IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF
8 TAXATION AND FINANCE, A SPECIAL FUND TO BE KNOWN AS THE "GAS EXPANSION
9 MITIGATION FUND."

10 2. SUCH FUND SHALL CONSIST OF MONEYS CREDITED OR TRANSFERRED WITHOUT
11 APPROPRIATION THERETO OVER AND ABOVE A BASE LEVEL PURSUANT TO THE STAND-
12 ARDS CONTROLLING CHAPTER ELEVEN OF TITLE TWENTY-ONE OF THE NEW YORK
13 STATE CODES, RULES AND REGULATIONS RELATED TO ANY MONIES RECEIVED FROM
14 ASSESSMENTS OR AUCTIONS.

15 3. (A) MONIES FROM THE GAS EXPANSION MITIGATION FUND SHALL BE AVAIL-
16 ABLE BEFORE ANY OTHER USE OF SUCH FUNDS TO THE NEW YORK STATE PUBLIC
17 SERVICE COMMISSION FOR A REVOLVING LOAN FUND TO MAKE LOANS TO CONSUMERS
18 WHEN CONVERTING TO A NATURAL GAS HEATING SYSTEM FROM AN OIL OR PROPANE
19 HEATING SYSTEM. THE NEW YORK STATE PUBLIC SERVICE COMMISSION SHALL HAVE
20 THE POWER TO MAKE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY AND
21 PROPER TO EFFECTUATE THE PURPOSES OF THIS SECTION.

22 (B) IF MONIES AVAILABLE IN THE GAS EXPANSION FUND EXCEED THE AMOUNTS
23 AUTHORIZED IN PARAGRAPH (A) OF THIS SUBDIVISION, ANY REMAINING RECEIPTS
24 SHALL BE USED TO ESTABLISH A PROGRAM TO BE ADMINISTERED BY THE NEW YORK
25 STATE PUBLIC SERVICE COMMISSION TO ASSIST LOW AND FIXED INCOME CUSTOMERS
26 IN CONVERTING FROM AN OIL OR PROPANE HEATING SYSTEM TO A NATURAL GAS
27 HEATING SYSTEM. THE PUBLIC SERVICE COMMISSION SHALL HAVE THE POWER TO
28 MAKE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO EFFECTUATE THE
29 PURPOSES OF THIS SECTION.

30 4. MONEYS IN THE FUND SHALL BE KEPT SEPARATELY FROM AND SHALL NOT BE
31 CO-MINGLED WITH ANY OTHER MONEYS IN CUSTODY OF THE STATE COMPTROLLER.

32 5. ALL PAYMENTS OF MONEYS FROM THE FUND SHALL BE MADE ON THE AUDIT AND
33 WARRANT OF THE COMPTROLLER.

34 S 6. Section 606 of the tax law is amended by adding a new subsection
35 (ww) to read as follows:

36 (WW) CREDIT FOR A NATURAL GAS SERVICE SYSTEM FOR HEATING TO REPLACE AN
37 OIL OR PROPANE HEATING SYSTEM. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT
38 FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND
39 FOURTEEN AND ENDING BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN
40 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE PURCHASE AND INSTALLA-
41 TION OF A NATURAL GAS SERVICE SYSTEM FOR HEATING TO REPLACE AN OIL OR
42 PROPANE HEATING SYSTEM BY A TAXPAYER IN HIS OR HER PRINCIPAL RESIDENCE,
43 IF SUCH RESIDENCE IS LOCATED WITHIN THE STATE. THE AMOUNT OF THE CREDIT
44 SHALL BE FIFTY PERCENT OF THE EXPENDITURE INCURRED IN PURCHASING AND
45 INSTALLING ANY SUCH SYSTEM OR COMBINATION THEREOF, BUT NOT TO EXCEED THE
46 MAXIMUM CREDIT OF TWO THOUSAND SEVEN HUNDRED FIFTY DOLLARS.

47 (2) A NATURAL GAS SERVICE SYSTEM FOR HEATING IS A SYSTEM: WHOSE
48 ORIGINAL USE BEGINS WITH THE TAXPAYER; WHICH MEETS THE ELIGIBILITY
49 CRITERIA, IF ANY, PRESCRIBED BY THE DEPARTMENT; AND WHICH IS AN ACTIVE
50 NATURAL GAS ENERGY SYSTEM WHICH SHALL MEAN AN ARRANGEMENT OR COMBINATION
51 OF COMPONENTS DESIGNED TO PROVIDE HEATING, COOLING OR HOT WATER THROUGH
52 THE MATERIAL AND INSTALLATION OF SERVICE CONNECTIONS AND APPURTENANT
53 FACILITIES NECESSARY TO RENDER NATURAL GAS SERVICE AND TO REPLACE THE
54 OIL OR PROPANE HEATING SYSTEM.

55 (3) WHERE A NATURAL GAS SERVICE SYSTEM FOR HEATING IS PURCHASED AND
56 INSTALLED BY A CONDOMINIUM MANAGEMENT ASSOCIATION OR A COOPERATIVE HOUS-

1 ING CORPORATION, A TAXPAYER WHO IS A MEMBER OF THE CONDOMINIUM MANAGE-
2 MENT ASSOCIATION OR WHO IS A TENANT-STOCKHOLDER IN THE COOPERATIVE HOUS-
3 ING CORPORATION MAY FOR THE PURPOSE OF THIS SUBSECTION CLAIM A
4 PROPORTIONATE SHARE OF THE TOTAL EXPENSE AS THE EXPENDITURE FOR THE
5 PURPOSES OF THE CREDIT ATTRIBUTABLE TO HIS PRINCIPAL RESIDENCE.

6 (4) WHERE A NATURAL GAS SERVICE SYSTEM FOR HEATING IS PURCHASED AND
7 INSTALLED IN A PRINCIPAL RESIDENCE SHARED BY TWO OR MORE TAXPAYERS THE
8 AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR EACH SUCH
9 TAXPAYER SHALL BE PRORATED ACCORDING TO THE PERCENTAGE OF THE TOTAL
10 EXPENDITURE FOR SUCH SYSTEM CONTRIBUTED BY EACH TAXPAYER.

11 (5) TO THE EXTENT THAT A FEDERAL INCOME TAX CREDIT SHALL APPLY TO
12 EXPENDITURES ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION, THE CREDIT
13 PROVIDED IN THIS SUBSECTION SHALL BE REDUCED SO THAT THE COMBINED CREDIT
14 SHALL NOT EXCEED FIFTY PERCENT OF SUCH EXPENDITURES OR SIX THOUSAND
15 SEVEN HUNDRED FIFTY DOLLARS, WHICHEVER IS LESS.

16 (6) IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION SHALL
17 EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER
18 TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S
19 TAX FOR SUCH YEAR OR YEARS.

20 (7) IF ALL OR ANY PART OF THE CREDIT PROVIDED FOR UNDER THIS
21 SUBSECTION WAS ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR
22 YEARS, A TAXPAYER SHALL REDUCE THE ALLOWABLE CREDIT FOR ADDITIONAL QUAL-
23 IFYING EXPENDITURES IN A SUBSEQUENT TAX YEAR BY THE AMOUNT OF THE CREDIT
24 PREVIOUSLY ALLOWED OR CARRIED OVER; PROVIDED HOWEVER THAT A CREDIT
25 PREVIOUSLY ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR YEARS
26 SHALL NOT BE TAKEN INTO ACCOUNT IN DETERMINING THE ALLOWABLE CREDIT FOR
27 THE PURCHASE AND INSTALLATION OF A NATURAL GAS SERVICE SYSTEM FOR HEAT-
28 ING IN A SUBSEQUENT PRINCIPAL RESIDENCE.

29 (8) FOR THE PURPOSE OF DETERMINING THE AMOUNT OF THE ACTUAL EXPENDI-
30 TURE INCURRED IN PURCHASING AND INSTALLING A NATURAL GAS SERVICE SYSTEM
31 FOR HEATING, THE AMOUNT OF ANY FEDERAL, STATE OR LOCAL GRANT RECEIVED BY
32 THE TAXPAYER, WHICH WAS USED FOR THE PURCHASE AND/OR INSTALLATION OF
33 SUCH SYSTEM AND WHICH WAS NOT INCLUDED IN THE GROSS INCOME OF THE
34 TAXPAYER, SHALL NOT BE TAKEN INTO ACCOUNT.

35 S 7. The real property tax law is amended by adding a new section
36 485-r to read as follows:

37 S 485-R. EXTENSION AND EXPANSION OF NATURAL GAS SUPPLY THROUGH THE
38 CONSTRUCTION OF NATURAL GAS DISTRIBUTION FACILITIES. 1. DEFINITIONS. (A)
39 FOR PURPOSES OF THIS SECTION, "NATURAL GAS DISTRIBUTION FACILITIES"
40 SHALL MEAN ANY MAIN LINE, SERVICE LINE AND APPURTENANT FACILITIES
41 CONSTRUCTED TO EXTEND NATURAL GAS SUPPLY TO NEW CUSTOMERS OF A GAS
42 CORPORATION OR A COMBINATION GAS AND ELECTRIC CORPORATION WITH THEIR
43 CONSENT.

44 2. AFTER A PUBLIC HEARING, THE GOVERNING BODY OF A COUNTY, CITY, TOWN
45 OR VILLAGE MAY ADOPT A LOCAL LAW AND A SCHOOL DISTRICT, OTHER THAN A
46 SCHOOL DISTRICT SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, MAY
47 ADOPT A LOCAL LAW OR RESOLUTION TO GRANT AN EXEMPTION AUTHORIZED PURSU-
48 ANT TO THIS SECTION. A COPY OF SUCH LOCAL LAW OR RESOLUTION SHALL BE
49 FILED WITH THE COMMISSIONER AND THE TAX ASSESSOR OF SUCH COUNTY, CITY,
50 TOWN OR VILLAGE WHO PREPARES THE ASSESSMENT ROLL ON WHICH THE TAXES OF
51 SUCH COUNTY, CITY, TOWN, VILLAGE OR SCHOOL DISTRICT ARE LEVIED.

52 3. SUCH NATURAL GAS DISTRIBUTION FACILITIES SHALL BE EXEMPT TO THE
53 EXTENT OF THE INCREASE IN THE ASSESSED VALUE THEREOF ATTRIBUTABLE TO THE
54 CONSTRUCTION OF SUCH NATURAL GAS FACILITIES. THE LENGTH OF SUCH
55 EXEMPTION AND THE PERCENTAGE OF ASSESSED VALUATION EXEMPT FROM TAXATION

1 SHALL BE SET FORTH IN SUCH LOCAL LAW OR RESOLUTION, BUT IN NO EVENT
2 SHALL IT EXCEED TEN YEARS.

3 4. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY A GAS
4 CORPORATION OR COMBINATION GAS AND ELECTRIC CORPORATION WITH APPROVAL
5 FROM THE PUBLIC SERVICE CORPORATION FOR CONSTRUCTION OF SUCH NATURAL GAS
6 FACILITIES.

7 S 8. The public service law is amended by adding a new section 18-b to
8 read as follows:

9 S 18-B. NOTWITHSTANDING ANY LAW, RULE, REGULATION OR ORDER TO THE
10 CONTRARY, A CUSTOMER WHO HAS CONVERTED TO NATURAL GAS SERVICE FOR HEAT-
11 ING TO REPLACE OIL OR PROPANE SERVICE AND IS SUBJECT TO A SURCHARGE
12 PURSUANT TO 16 NYCRR 230.3 RELATING TO MAINS AND APPURTENANT FACILITIES
13 SHALL NOT BE REQUIRED WITH RESPECT TO NATURAL GAS SERVICES CHARGES TO
14 PAY THE FOLLOWING: A SURCHARGE FOR THE SYSTEM BENEFIT CHARGE, OR THE
15 TEMPORARY STATE ENERGY AND UTILITY SERVICE CONSERVATION ASSESSMENT
16 PURSUANT TO SECTION EIGHTEEN-A OF THIS ARTICLE IN EXCESS OF ONE PERCENT
17 FOR THE PERIOD DURING WHICH THE SURCHARGE PURSUANT TO 16 NYCRR 230.3 IS
18 APPLICABLE.

19 S 9. The real property tax law is amended by adding a new section
20 485-q to read as follows:

21 S 485-Q. EXTENSION AND EXPANSION OF NATURAL GAS SUPPLY THROUGH THE
22 CONSTRUCTION OF NATURAL GAS DISTRIBUTION FACILITIES. 1. DEFINITIONS. (A)
23 FOR PURPOSES OF THIS SECTION, "NATURAL GAS DISTRIBUTION FACILITIES"
24 SHALL MEAN ANY MAIN LINE, SERVICE LINE AND APPURTENANT FACILITIES
25 CONSTRUCTED TO EXTEND NATURAL GAS SUPPLY TO NEW CUSTOMERS OF A GAS
26 CORPORATION OR A COMBINATION GAS AND ELECTRIC CORPORATION WITH THEIR
27 CONSENT.

28 2. WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, NATURAL
29 GAS DISTRIBUTION FACILITIES SHALL BE EXEMPT TO THE EXTENT OF THE
30 INCREASE IN THE ASSESSED VALUE THEREOF ATTRIBUTABLE TO THE CONSTRUCTION
31 OF SUCH NATURAL GAS FACILITIES. SUCH NATURAL GAS DISTRIBUTION FACILITIES
32 SHALL BE EXEMPT FROM ALL LOCAL AND MUNICIPAL TAXES, OTHER THAN ASSESS-
33 MENTS FOR LOCAL IMPROVEMENTS, DURING THE TAX YEAR OR YEARS NEXT FOLLOW-
34 ING THE TAXABLE STATUS DATE OR DATES AFTER THE COMMENCEMENT AND BEFORE
35 THE COMPLETION OF CONSTRUCTION BUT FOR NO MORE THAN TWO YEARS AFTER
36 COMMENCEMENT OF SUCH CONSTRUCTION AND SHALL BE EXEMPT FROM SUCH LOCAL
37 AND MUNICIPAL TAXES AFTER THE EARLIER OF COMPLETION OF SUCH CONSTRUCTION
38 OR THE END OF SUCH TWO YEAR PERIOD AS FOLLOWS: TWO YEARS OF EXEMPTION
39 FROM ALL SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM SEVENTY-FIVE
40 PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM FIFTY
41 PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM
42 TWENTY-FIVE PERCENT OF SUCH TAXES.

43 3. CONSTRUCTION OF NATURAL GAS DISTRIBUTION FACILITIES SHALL BE DEEMED
44 TO HAVE COMMENCED WHEN THE AGENCY OR DEPARTMENT OF THE CITY HAVING
45 JURISDICTION HAS ISSUED A PERMIT FOR CONSTRUCTION WORK AND SUCH WORK HAS
46 BEGUN IN GOOD FAITH IN ACCORDANCE WITH SUCH PERMIT.

47 4. APPLICATION FOR EXEMPTION UNDER THIS SECTION SHALL BE FILED WITH
48 THE ASSESSORS BETWEEN FEBRUARY FIRST AND MARCH FIFTEENTH OF THE CALENDAR
49 YEAR AND BASED ON APPROVAL BY THE PUBLIC SERVICE COMMISSION OF
50 CONSTRUCTION OF SUCH NATURAL GAS DISTRIBUTION FACILITIES, THE ASSESSORS
51 SHALL CERTIFY TO THE COLLECTING OFFICER THE AMOUNT OF THE EXEMPTION FROM
52 LOCAL AND MUNICIPAL TAXES. NO SUCH APPLICATION SHALL BE ACCEPTED BY THE
53 ASSESSORS UNLESS ACCOMPANIED BY AN APPROVAL FROM THE PUBLIC SERVICE
54 COMMISSION.

55 5. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY A GAS
56 CORPORATION OR COMBINATION GAS AND ELECTRIC CORPORATION WITH APPROVAL

1 FROM THE PUBLIC SERVICE CORPORATION FOR CONSTRUCTION OF SUCH NATURAL GAS
2 FACILITIES.

3 S 10. Section 1001 of the public authorities law is amended by adding
4 a new undesignated paragraph to read as follows:

5 IT IS FURTHER DECLARED THAT THERE ARE SIGNIFICANT ENVIRONMENTAL,
6 ECONOMIC AND HEALTH BENEFITS FROM THE EXPANSION OF NATURAL GAS SERVICE
7 TO ENABLE RESIDENTIAL AND COMMERCIAL CUSTOMERS WITH THE OPTION TO
8 CONVERT FROM OIL OR PROPANE HEATING TO NATURAL GAS SERVICE. A CRITICAL
9 ELEMENT OF NATURAL GAS SERVICE EXPANSION IS THE FINANCING OF THE
10 CONSTRUCTION AND INVESTMENT IN EQUIPMENT NECESSARY FOR GAS CORPORATIONS
11 AND COMBINED GAS AND ELECTRIC CORPORATIONS TO CONVERT FROM OIL OR
12 PROPANE HEATING SYSTEMS. THE AUTHORITY IS AUTHORIZED TO MAKE LOANS TO
13 GAS CORPORATIONS AND COMBINED GAS AND ELECTRIC CORPORATIONS TO EFFECTU-
14 ATE NATURAL GAS SERVICE EXPANSION WHICH IS APPROVED BY THE PUBLIC
15 SERVICE COMMISSION.

16 S 11. The public authorities law is amended by adding a new section
17 1005-b to read as follows:

18 S 1005-B. ADDITIONAL SPECIAL POWERS OF THE AUTHORITY WITH RESPECT TO
19 NATURAL GAS SERVICE EXPANSION TO PERMIT CONVERSION TO GAS HEATING. IN
20 ORDER TO EFFECTUATE THE PURPOSES OF THIS TITLE, THE AUTHORITY SHALL HAVE
21 THE FOLLOWING ADDITIONAL SPECIAL POWERS: TO EXTEND CREDIT AND MAKE LOANS
22 TO A GAS CORPORATION OR A COMBINED GAS AND ELECTRIC CORPORATION FRAN-
23 CHISED BY THE PUBLIC SERVICE COMMISSION IN CONNECTION WITH A NATURAL GAS
24 SERVICE EXPANSION PROJECT APPROVED BY THE PUBLIC SERVICE COMMISSION FOR
25 COSTS INCURRED WITH SUCH PROJECTS COMPLETED OR NOT, COMPLETED AT THE
26 TIME OF SUCH CREDIT OR LOAN, WHICH CREDITS OR LOANS MAY, BUT NEED NOT BE
27 SECURED BY MORTGAGES, CONTRACTS OR OTHER INSTRUMENTS, UPON SUCH TERMS
28 AND CONDITIONS AS THE CORPORATION MAY DEEM REASONABLE IN CONNECTION WITH
29 SUCH CREDITS OR LOANS. IN THE EXERCISE OF POWERS GRANTED IN THIS SECTION
30 IN CONNECTION WITH A NATURAL GAS SERVICE EXPANSION PROJECT APPROVED BY
31 THE PUBLIC SERVICE COMMISSION FOR A GAS CORPORATION OR A COMBINED GAS
32 AND ELECTRIC CORPORATION, TO REQUIRE THE INCLUSION IN ANY CONTRACT, LOAN
33 AGREEMENT OR OTHER INSTRUMENT, OF SUCH PROVISIONS FOR THE FINANCING OF
34 SUCH PROJECT AND SUCH OTHER FINANCIAL AND OTHER COVENANTS APPLYING TO
35 SUCH GAS CORPORATIONS OR A COMBINED GAS AND ELECTRIC CORPORATION, AS THE
36 CORPORATION MAY DEEM NECESSARY OR DESIRABLE AND TO DO ALL THINGS AND TO
37 EXECUTE ALL INSTRUMENTS NECESSARY AND DESIRABLE IN CONNECTION THEREWITH.
38 IN CONNECTION WITH THE EXTENSION OF ANY SUCH CREDIT OR LOAN, THE AUTHOR-
39 ITY MAY FIX AND COLLECT SUCH FEES AND CHARGES, INCLUDING BUT NOT LIMITED
40 TO REIMBURSEMENT OF ALL COSTS OF FINANCING BY THE CORPORATION AS SHALL
41 BE REASONABLE. IN CONNECTION WITH SUCH EXTENSION OF CREDIT OR LOAN AS
42 PROVIDED FOR HEREIN SUCH GAS CORPORATION OR A COMBINED GAS AND ELECTRIC
43 CORPORATION SHALL SUBMIT TO THE AUTHORITY AN APPLICATION FOR THE EXTEN-
44 SION OF CREDIT OR LOAN AS SET FORTH IN THE APPLICATION. THE AUTHORITY
45 MAY DENY ANY SUCH APPLICATION FOR ANY REASON IT DEEMS IN THE PUBLIC
46 INTEREST. THE EXTENSION OF ANY SUCH CREDIT OR LOAN IS SUBJECT TO
47 APPROVAL BY THE PUBLIC SERVICE COMMISSION OF THE PROJECT OR PROJECTS FOR
48 SUCH NATURAL GAS SERVICE EXPANSION.

49 S 12. Subdivision 1 of section 1010 of the public authorities law, as
50 amended by chapter 972 of the laws of 1969, is amended to read as
51 follows:

52 1. The authority shall have power and is hereby authorized from time
53 to time to issue its negotiable bonds in conformity with applicable
54 provisions of the uniform commercial code for the purpose of financing
55 any project authorized by this title, including the acquisition of any
56 real or personal property or facilities deemed necessary by the authori-

1 ty, AND FOR THE MAKING OF LOANS TO A GAS CORPORATION OR A COMBINATION
2 GAS AND ELECTRIC CORPORATION FRANCHISED BY THE PUBLIC SERVICE COMMISSION
3 FOR THE PURPOSES OF SECTION ONE THOUSAND FIVE-B OF THIS TITLE.
4 S 13. This act shall take effect immediately.