

# STATE OF NEW YORK

10533

## IN ASSEMBLY

March 6, 2026

Introduced by M. of A. CONRAD -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to requiring investor-owned gas or electric corporations to refund ratepayers when their achieved return on equity exceeds authorized rates of return by fifty percent

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 20 of section 66 of the public service law, as  
2 added by chapter 394 of the laws of 1978, is amended to read as follows:

3 20. (a) Notwithstanding any general or special law, rule or regulation  
4 to the contrary, the commission shall have the power to provide for the  
5 refund of any revenues received by any investor-owned gas or electric  
6 corporation which cause the corporation to have revenues in the aggregate  
7 in excess of its authorized rate of return for a period of twelve  
8 months.

9 (b) Such corporations shall be required to return one hundred percent  
10 of earnings that exceed the earnings collar to ratepayers in the form of  
11 a direct bill credit. Such bill credit shall be provided to ratepayers  
12 no later than ninety days following a determination by the commission  
13 and shall be clearly labeled on the ratepayer's bill. The commission  
14 [~~may~~] shall initiate a proceeding with respect to such a refund after  
15 the conclusion of any such twelve month period.

16 (c) Such corporations shall annually reconcile their achieved return  
17 on equity to their authorized return on equity.

18 (d) The commission shall not approve any settlements or rate plan  
19 provisions which allow any investor-owned gas or electric corporation to  
20 retain revenues derived from their actual return on equity in excess of  
21 the of the earnings collar.

22 (e) The commission may temporarily suspend refund requirements only  
23 upon the finding of extraordinary circumstances materially affecting an  
24 investor-owned gas or electric corporation's financial integrity,  
25 including natural disasters or significant regulatory mandates, provided  
26 such determination is made in a public proceeding.

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

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1 (f) Annually, the commission shall submit to the governor and the  
2 legislature, a report outlining the findings and determinations of the  
3 final authorized return on equity, achieved return on equity, the refund  
4 amounts returned to ratepayers and the delivery charge growth trends  
5 over the preceding five years. The report shall be made publicly avail-  
6 able.

7 (g) For purposes of this subdivision, the following terms shall have  
8 the following meanings:

9 (1) "authorized rate of return on equity" shall mean the return on  
10 equity portion of the rate base that regulated utilities are authorized  
11 to collect in rates.

12 (2) "achieved return on equity" shall mean the actual return on equity  
13 earned by an investor-owned gas or electric corporation in a given rate  
14 year, as determined by audited financial results.

15 (3) "earnings collar" shall mean a tolerance band of plus or minus  
16 fifty base points around the authorized rate of return on equity.

17 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
18 sion, section or part of this act shall be adjudged by any court of  
19 competent jurisdiction to be invalid, such judgment shall not affect,  
20 impair, or invalidate the remainder thereof, but shall be confined in  
21 its operation to the clause, sentence, paragraph, subdivision, section  
22 or part thereof directly involved in the controversy in which such judg-  
23 ment shall have been rendered. It is hereby declared to be the intent of  
24 the legislature that this act would have been enacted even if such  
25 invalid provisions had not been included herein.

26 § 3. This act shall take effect immediately and shall apply to rate  
27 years commencing on and after the first of January next succeeding the  
28 date on which it shall have become a law.