S T A T E   O F   N E W   Y O R K

4221

2009-2010 Regular Sessions

I N S E N A T E

April 17, 2009

Introduced by Sen. SQUADRON -- 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, in relation to payments equivalent to tax by certain electric corporations

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

Section 1. Section 66-h of the public service law, as amended by section 15 of part SS-1 of chapter 57 of the laws of 2008, is amended to read as follows:

S 66-h. Certain electric corporations; payment equivalent to tax. The commission shall require each electric corporation that purchases electricity from an energy business as defined in subdivision (c) of section three hundred one-i of the tax law (1) that is a co-generation facility, as such term is defined in subdivision two-a of section two of this chapter, or (2) that is a qualifying facility, as such term is defined by section two hundred one of the Public Utility Regulatory Policies Act of 1978 (Public Law 95-617) that is a co-generation facility, or (3) that has executed or will execute a contract for the sale of electricity through negotiation with an electric corporation or an auction conducted by an electric corporation pursuant to a competitive bidding plan approved by the commission, to pay, in addition to payments made for such purchased electricity under a contract with such electric corporation, an amount equal to the tax imposed under article thirteen-A of the tax law with respect to each Mcf of natural gas used to generate such electricity and, WITH RESPECT TO CONTRACTS EXECUTED PRIOR TO JANUARY FIRST, TWO THOUSAND, the sales and compensating use taxes imposed on such gas by or pursuant to the authority of section eleven hundred seven or subdivision (a) of section twelve hundred ten of the tax law, unless such sales and compensating use taxes imposed are otherwise accounted for in the payments the electric corporation makes under that contract;

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

LBD07492-01-9

provided, however, that any such amount paid by such electric corporation shall be recovered through a fuel adjustment mechanism authorized by the commission; provided, further, that such amount shall not be recovered from charges for residential use provided by such electric corporation.

S 2. This act shall take effect immediately.