

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

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I N S E N A T E

February 11, 2009

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

AN ACT to amend the rural electric cooperative law and the public service law, in relation to the powers of rural electric cooperatives

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

1 Section 1. Subdivision (d) of section 14 of the rural electric cooper-
2 ative law is amended to read as follows:
3 (d) To generate, manufacture, purchase, acquire, accumulate and trans-
4 mit electric energy, and to distribute, sell, supply, and dispose of
5 electric energy to its members, to governmental agencies and political
6 subdivisions, and to other persons not in excess of ten per centum of
7 the number of its members, provided, however, that such other persons
8 shall become members within one year after they commence taking electric
9 service from the cooperative; and provided, further however, that the
10 furnishing by a cooperative of electric cold storage or processing plant
11 service shall not be deemed to be distributing, selling, supplying or
12 disposing of electric energy, and provided, further however, that a
13 cooperative [shall not] MAY, WITHIN THE TERRITORY WHERE THE COOPERATIVE
14 HOLDS A FRANCHISE, distribute, sell, supply or dispose of electric ener-
15 gy to any premises or building receiving and using central station elec-
16 tric service or entitled to receive such service as provided by section
17 twelve of the transportation corporations law on the effective date of
18 this chapter or to any premises or buildings hereafter served by any
19 person, corporation or municipality supplying central station electric
20 service, if no co-operative service is available to such premises or
21 building at the time of such installation, [without the consent] WITH
22 THE MUTUAL AGREEMENT of the person, corporation, or municipality supply-
23 ing or required by said section twelve of the transportation corpo-
24 rations law to supply such central station electric service, AND

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

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1 PROVIDED, FURTHER, THAT IN THE EVENT THAT SUCH MUTUAL AGREEMENT IS NOT
2 REACHED WITHIN NINETY DAYS OF THE STATEMENT OF INTEREST BY THE COOPER-
3 ATIVE, THEN THE CONSIDERATION TO THE PERSON, CORPORATION OR MUNICIPALITY
4 FOR SUCH SERVICES BY THE COOPERATIVE SHALL BE DETERMINED WITHIN NINETY
5 DAYS BY THE PUBLIC SERVICE COMMISSION PURSUANT TO SUBDIVISION
6 TWENTY-NINE OF SECTION SIXTY-SIX OF THE PUBLIC SERVICE LAW. THE COOPER-
7 ATIVE SHALL HAVE NINETY DAYS TO ACCEPT THE CONSIDERATION AS DETERMINED
8 BY THE PUBLIC SERVICE COMMISSION;

9 S 2. Section 66 of the public service law is amended by adding a new
10 subdivision 29 to read as follows:

11 29. IN THE EVENT THAT A MUTUAL AGREEMENT IS NOT REACHED PURSUANT TO
12 SUBDIVISION (D) OF SECTION FOURTEEN OF THE RURAL ELECTRIC COOPERATIVE
13 LAW, THE COMMISSION SHALL DETERMINE WITHIN NINETY DAYS THE CONSIDERATION
14 BY THE RURAL ELECTRIC COOPERATIVE TO THE PERSON, AS DEFINED IN SECTION
15 TWO OF THE RURAL ELECTRIC COOPERATIVE LAW, TO THE ELECTRIC CORPORATION
16 OR TO THE MUNICIPALITY FOR SERVICES, AS DESCRIBED IN SUBDIVISION (D) OF
17 SECTION FOURTEEN OF THE RURAL ELECTRIC COOPERATIVE LAW, TAKING INTO
18 ACCOUNT THE OVERALL ECONOMIC EFFICIENCY OF SUCH SERVICES AND CONSIDER-
19 ATION AND WHETHER THE CONSIDERATION AVOIDS ANY NEGATIVE EFFECT ON THE
20 CUSTOMERS OF THE ELECTRIC CORPORATION OR THE MUNICIPALITY. THE COMMIS-
21 SION SHALL INFORM THE RURAL ELECTRIC COOPERATIVE OF ITS DETERMINATION.

22 S 3. The opening paragraph of section 67 of the rural electric cooper-
23 ative law is amended to read as follows:

24 Cooperatives and foreign corporations doing business in this state
25 pursuant to this chapter shall be exempt in all respects from the juris-
26 diction and control of the public service commission of this state and
27 shall not be subject to the provisions of the public service law, EXCEPT
28 FOR THE PROVISIONS OF SUBDIVISION TWENTY-NINE OF SECTION SIXTY-SIX OF
29 THE PUBLIC SERVICE LAW. Each cooperative, however, shall file with the
30 public service commission an annual report verified by the oath of the
31 president, vice-president, treasurer, secretary, general manager, or
32 receiver, if any. The report shall show in detail

33 S 4. This act shall take effect immediately.