

2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. CAHILL, COLTON, FINCH -- Multi-Sponsored by -- M. of A. DINOWITZ, GALEF, GLICK, GOTTFRIED, JACOBS, LUPARDO, MAISEL, MAYERSOHN, PHEFFER, SWEENEY, WEISENBERG -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public service law, in relation to requiring evidence and consideration of the economic impact of utility rates and charges by the public service commission

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

1 Section 1. Subdivision 1 of section 65 of the public service law, as
2 amended by chapter 789 of the laws of 1930, is amended to read as
3 follows:
4 1. Every gas corporation, every electric corporation and every munici-
5 pality shall furnish and provide such service, instrumentalities and
6 facilities as shall be safe and adequate and in all respects just and
7 reasonable. All charges made or demanded by any such gas corporation,
8 electric corporation or municipality for gas, electricity or any service
9 rendered or to be rendered, shall be just and reasonable and not more
10 than allowed by law or by order of the commission. IN DETERMINING WHETH-
11 ER CHARGES ARE JUST AND REASONABLE, CONSIDERATION SHALL BE GIVEN TO THE
12 ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUMERS AND THE AREA SERVED BY
13 EACH SUCH GAS CORPORATION, ELECTRIC CORPORATION AND MUNICIPALITY. Every
14 unjust or unreasonable charge made or demanded for gas, electricity or
15 any such service, or in connection therewith, or in excess of that
16 allowed by law or by the order of the commission is prohibited.
17 S 2. Subdivision 1 of section 79 of the public service law, as amended
18 by chapter 134 of the laws of 1921, is amended to read as follows:
19 1. Every steam corporation shall furnish and provide such service,
20 instrumentalities and facilities as shall be safe and adequate and in
21 all respects just and reasonable. All charges made or demanded by any

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

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1 such corporation for such service rendered or to be rendered shall be
2 just and reasonable and not more than allowed by order of the commis-
3 sion. IN DETERMINING WHETHER CHARGES ARE JUST AND REASONABLE, CONSIDER-
4 ATION SHALL BE GIVEN TO THE ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUM-
5 ERS AND THE AREA SERVED BY EACH SUCH STEAM CORPORATION. Every unjust or
6 unreasonable charge made or demanded for such service, or in connection
7 therewith or in excess of that allowed by law or by the commission is
8 prohibited.

9 S 3. Subdivision 1 of section 89-b of the public service law, as added
10 by chapter 715 of the laws of 1931, is amended to read as follows:

11 1. Every water-works corporation shall furnish and provide such
12 service, instrumentalities and facilities as shall be safe and adequate
13 and in all respects just and reasonable. All charges made or demanded by
14 any such water-works corporation for water, or for equipment furnished
15 or for any service rendered or to be rendered shall be just and reason-
16 able and not more than allowed by law or by order of the commission. IN
17 DETERMINING WHETHER CHARGES ARE JUST AND REASONABLE, CONSIDERATION SHALL
18 BE GIVEN TO THE ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUMERS AND THE
19 AREA SERVED BY EACH SUCH WATER-WORKS CORPORATION. Every unjust or unrea-
20 sonable charge made or demanded for water or for equipment furnished or
21 for any such service, or in connection therewith, or in excess of that
22 allowed by law or by the order of the commission is prohibited.

23 S 4. Subdivision 1 of section 91 of the public service law, as added
24 by chapter 673 of the laws of 1910, is amended to read as follows:

25 1. Every telegraph corporation and every telephone corporation shall
26 furnish and provide with respect to its business such instrumentalities
27 and facilities as shall be adequate and in all respects just and reason-
28 able. All charges made or demanded by any telegraph corporation or tele-
29 phone corporation for any service rendered or to be rendered in
30 connection therewith shall be just and reasonable and not more than
31 allowed by law or by order of the commission. IN DETERMINING WHETHER
32 CHARGES ARE JUST AND REASONABLE, CONSIDERATION SHALL BE GIVEN TO THE
33 ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUMERS AND THE AREA SERVED BY
34 EACH SUCH TELEGRAPH CORPORATION AND TELEPHONE CORPORATION. Every unjust
35 or unreasonable charge made or demanded for any such service or in
36 connection therewith or in excess of that allowed by law or by order of
37 the commission is prohibited and declared to be unlawful.

38 S 5. The public service law is amended by adding a new section 119-d
39 to read as follows:

40 S 119-D. ECONOMIC IMPACT. 1. PRIOR TO APPROVING ANY MAJOR INCREASE IN
41 RATES OR CHARGES PROPOSED BY A PUBLIC UTILITY COMPANY OR MUNICIPALITY,
42 THE COMMISSION SHALL CONSIDER THE ECONOMIC IMPACT OF ANY SUCH PROPOSED
43 INCREASE IN THE RATES OR CHARGES UPON CONSUMERS IN THE AREA SERVED BY
44 THE COMPANY OR MUNICIPALITY PROPOSING SUCH INCREASE. FOR PURPOSES OF
45 THIS SUBDIVISION, "MAJOR INCREASE" SHALL MEAN AN INCREASE IN THE RATES
46 AND CHARGES WHICH WOULD INCREASE THE AGGREGATE REVENUES OF THE APPLICANT
47 MORE THAN THE GREATER OF THREE HUNDRED THOUSAND DOLLARS OR TWO AND ONE-
48 HALF PERCENT.

49 2. THE COMMISSION SHALL CONSIDER UNEMPLOYMENT DATA, MEDIAN INCOME
50 INFORMATION AND THE NUMBER OF PERSONS RECEIVING SOCIAL SERVICES ASSIST-
51 ANCE WITH RESPECT TO THE APPLICABLE SERVICE AREA. IN ADDITION, THE
52 COMMISSION SHALL CONSIDER IN REACHING ITS DETERMINATION IN ANY SUCH RATE
53 CASE:

54 A. THE AVERAGE MONTHLY UTILITY BILL FOR EACH CLASS OF CUSTOMERS WHO
55 WOULD BE AFFECTED BY AN INCREASED RATE OR CHARGE AND THE ESTIMATED
56 INCREASED UTILITY BILL FOR EACH SUCH CLASS OF CUSTOMERS; AND

1 B. THE LATEST FEDERAL BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX
2 FIGURES INDICATING THE AVERAGE COST OF LIVING AND THE AVERAGE COST OF
3 FUEL AND UTILITIES FOR THE NATION AND, IF POSSIBLE FOR THE STATE OR THE
4 SERVICE AREA AFFECTED BY SUCH INCREASED RATE OR CHARGE.

5 S 6. This act shall take effect immediately and shall apply to each
6 request for increased rates or charges submitted on or after the effec-
7 tive date of this act.