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

24

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:

Section 1. Subdivision 1 of section 65 of the public service law, as amended by chapter 789 of the laws of 1930, is amended to read as follows:

1. Every gas corporation, every electric corporation and every municipality shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such gas corporation, electric corporation or municipality for gas, electricity or any service rendered or to be rendered, shall be just and reasonable and not more than allowed by law or by order of the commission. IN DETERMINING WHETHER CHARGES ARE JUST AND REASONABLE, CONSIDERATION SHALL BE GIVEN TO THE ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUMERS AND THE AREA SERVED BY EACH SUCH GAS CORPORATION, ELECTRIC CORPORATION AND MUNICIPALITY. Every unjust or unreasonable charge made or demanded for gas, electricity or any such service, or in connection therewith, or in excess of that allowed by law or by the order of the commission is prohibited.

S 2. Subdivision 1 of section 79 of the public service law, as amended by chapter 134 of the laws of 1921, is amended to read as follows:

1. Every steam corporation shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and in 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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such corporation for such service rendered or to be rendered shall be just and reasonable and not more than allowed by order of the commission. IN DETERMINING WHETHER CHARGES ARE JUST AND REASONABLE, CONSIDERATION SHALL BE GIVEN TO THE ECONOMIC IMPACT OF SUCH CHARGES UPON CONSUMERS AND THE AREA SERVED BY EACH SUCH STEAM CORPORATION. Every unjust or unreasonable charge made or demanded for such service, or in connection therewith or in excess of that allowed by law or by the commission is prohibited.

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

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

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

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

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

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

2. THE COMMISSION SHALL CONSIDER UNEMPLOYMENT DATA, MEDIAN INCOME INFORMATION AND THE NUMBER OF PERSONS RECEIVING SOCIAL SERVICES ASSISTANCE WITH RESPECT TO THE APPLICABLE SERVICE AREA. IN ADDITION, THE COMMISSION SHALL CONSIDER IN REACHING ITS DETERMINATION IN ANY SUCH RATE CASE:

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

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

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