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I N A S S E M B L Y

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Introduced by M. of A. DINOWITZ, GOTTFRIED, COLTON, BLAKE, MILLER,
SIMON, ROBINSON -- Multi-Sponsored by -- M. of A. COOK, DAVILA, MAGEE
-- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to the establishment
of reduced residential rates for electric and natural gas service to
low-income customers

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

1 Section 1. Section 65 of the public service law is amended by adding a
2 new subdivision 16 to read as follows:
3 16. REDUCED RESIDENTIAL RATES FOR ELECTRIC AND NATURAL GAS SERVICE TO
4 LOW-INCOME CUSTOMERS. (A) ELECTRIC AND GAS CORPORATIONS SHALL ESTABLISH
5 AND CONTINUE REDUCED RATE SCHEDULES FOR LOW-INCOME ELECTRIC AND NATURAL
6 GAS CUSTOMERS. THE AVERAGE EFFECTIVE RATE REDUCTION SHALL NOT BE LESS
7 THAN TWENTY-FIVE PERCENT OR MORE THAN THIRTY-FIVE PERCENT OF THE REVEN-
8 UES THAT WOULD HAVE BEEN PRODUCED FOR THE SAME BILLED USAGE BY OTHER
9 RESIDENTIAL CUSTOMERS RECEIVING FULL SERVICE FROM THE UTILITY WHO ARE
10 NOT ELIGIBLE FOR THE REDUCED RATE.
11 (B) REDUCED RESIDENTIAL RATES FOR ELECTRIC AND NATURAL GAS SERVICE
12 SHALL BE ESTABLISHED FOR ANY CUSTOMER WHO RECEIVES BENEFITS FROM THE
13 SUPPLEMENTAL SECURITY INCOME PROGRAM FOR THE AGED OR DISABLED OR OTHER
14 PERSONS, THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM, SAFETY NET
15 ASSISTANCE, THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, MEDICAL
16 ASSISTANCE, THE HOME ENERGY ASSISTANCE PROGRAM, THE TELEPHONE LIFELINE
17 ASSISTANCE PROGRAM, AND ANY OTHER ADDITIONAL ASSISTANCE PROGRAM OR
18 INCOME STANDARD APPROVED BY THE COMMISSION.
19 (C) PROVIDERS OF ELECTRIC AND NATURAL GAS SERVICE SHALL COOPERATE WITH
20 THE COMMISSION AND SOCIAL SERVICES DISTRICTS AND OTHER AGENCIES TO
21 CERTIFY AND RECERTIFY CUSTOMER ELIGIBILITY THROUGH PRIVACY PROTECTED
22 DATA EXCHANGES APPROVED BY THE COMMISSION TO ACHIEVE EFFICIENT ENROLL-
23 MENT OF ELIGIBLE CUSTOMERS.
24 (D) PROVIDERS OF ELECTRIC AND NATURAL GAS SERVICE SHALL STRIVE TO
25 PROVIDE REDUCED RESIDENTIAL RATES TO ALL CUSTOMERS ELIGIBLE FOR THEM,
26 AND SHALL PROVIDE APPLICATION FORMS FOR REDUCED RATES TO ELIGIBLE

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

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LOW-INCOME CUSTOMERS ON THEIR WEBSITES, AT THEIR OFFICES, AND BY OTHER MEANS. INFORMATION REGARDING THE AVAILABILITY AND ELIGIBILITY STANDARDS FOR REDUCED RATES SHALL BE PROVIDED TO RESIDENTIAL CUSTOMERS AT THE TIME OF SERVICE INITIATION, IN BILL INSERTS, IN COMMUNICATIONS TO CUSTOMERS IN ARREARS, AND BY OTHER MEANS REQUIRED OR APPROVED BY THE COMMISSION.

(E) THE INCREMENTAL REVENUE EFFECTS OF ENHANCEMENT TO LOW-INCOME RATE PROGRAMS UNDER THIS SECTION SHALL BE DEFERRED FOR SUBSEQUENT RATE MAKING TREATMENT AND APPROVAL BY THE COMMISSION. THE REVENUE IMPACT OF SUCH RATE REDUCTION SHALL BE MITIGATED BY (I) APPLYING ANY EARNINGS OF THE UTILITY ABOVE THE ALLOWED RETURN ON EQUITY SET IN THE MOST RECENT RATE CASE, (II) DISALLOWING ANY PREMIUM ABOVE THE RATE OF RETURN ALLOWED FOR NOT FILING A RATE CASE OR FOR SHARING OF OVEREARNINGS, (III) UTILIZING ANY UNCOMMITTED FUNDS AVAILABLE FROM CURRENT SURCHARGES ALLOWED BY THE COMMISSION AND NOT EXPRESSLY AUTHORIZED BY STATUTE, (IV) DISALLOWING RECOVERY FROM RATEPAYERS OF ANY COSTS OF EXECUTIVE COMPENSATION BONUSES. AFTER SUCH MITIGATION MEASURES, AND OTHER MITIGATION MEASURES WHICH THE COMMISSION MAY APPROVE, ANY SHIFT OF REVENUE RESPONSIBILITY TO OTHER CUSTOMERS DUE TO THE REVENUE EFFECTS OF LOW-INCOME RATES SHALL NOT BE BORNE SOLELY BY ANY SINGLE CLASS OF CUSTOMER.

S 2. The public service law is amended by adding a new section 66-o to read as follows:

S 66-0. REDUCED RESIDENTIAL RATES FOR ELECTRIC AND NATURAL GAS SERVICE TO LOW-INCOME CUSTOMERS. 1. THE COMMISSION SHALL REQUIRE ELECTRIC AND NATURAL GAS CORPORATIONS TO ESTABLISH AND CONTINUE PROGRAMS OF RATE REDUCTION AND OTHER ASSISTANCE TO LOW-INCOME RESIDENTIAL ELECTRIC AND NATURAL GAS CUSTOMERS, THE REVENUE IMPACT OF WHICH SHALL NOT BE BORNE SOLELY BY ANY SINGLE CLASS OF CUSTOMER. THE COMMISSION SHALL ENSURE APPROPRIATE LEVELS OF RATE REDUCTION FOR LOW-INCOME ELECTRIC AND NATURAL GAS CUSTOMERS TO MITIGATE HARDSHIP, WHICH SHALL NOT BE LESS THAN TWENTY-FIVE PERCENT OR MORE THAN THIRTY-FIVE PERCENT OF THE REVENUES THAT WOULD HAVE BEEN PRODUCED FOR THE SAME BILLED USAGE BY OTHER RESIDENTIAL CUSTOMERS RECEIVING FULL SERVICE FROM THE UTILITY WHO ARE NOT ELIGIBLE FOR THE REDUCED RATE. IN ESTABLISHING THE APPROPRIATE PERCENTAGE REDUCTION THE COMMISSION SHALL ENSURE TO THE EXTENT FEASIBLE THAT LOW-INCOME RATEPAYERS ARE NOT JEOPARDIZED OR OVERBURDENED BY RATES FOR ELECTRIC AND NATURAL GAS SERVICE.

2. THE COMMISSION SHALL ESTABLISH CUSTOMER INCOME AND CATEGORICAL ELIGIBILITY STANDARDS FOR REDUCED RATES, WHICH SHALL INCLUDE, WITHOUT LIMITATION, ANY CUSTOMERS WHO RECEIVE BENEFITS FROM THE SUPPLEMENTAL SECURITY INCOME PROGRAM FOR THE AGED OR DISABLED OR OTHER PERSONS, THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM, SAFETY NET ASSISTANCE, THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, MEDICAL ASSISTANCE, THE HOME ENERGY ASSISTANCE PROGRAM, AND THE TELEPHONE LIFELINE ASSISTANCE PROGRAM.

3. THE COMMISSION SHALL PROMOTE FULL PENETRATION OF THE REDUCED RATE ASSISTANCE TO ALL ELIGIBLE CUSTOMERS THROUGH PRIVACY PROTECTED DATA EXCHANGES WITH AGENCIES PROVIDING ASSISTANCE TO CATEGORICALLY ELIGIBLE CUSTOMERS TO ACHIEVE EFFICIENT ENROLLMENT, CERTIFICATION, AND PERIODIC RECERTIFICATION OF ELIGIBILITY.

4. THE COMMISSION SHALL REQUIRE PROVIDERS OF ELECTRIC AND NATURAL GAS SERVICE TO PROVIDE INFORMATION AND APPLICATION FORMS FOR REDUCED RATES TO ELIGIBLE LOW-INCOME CUSTOMERS ON THEIR WEBSITES, AT THEIR OFFICES, AND BY OTHER MEANS, AND TO PROVIDE INFORMATION REGARDING THE AVAILABILITY AND ELIGIBILITY STANDARDS FOR REDUCED RATES TO RESIDENTIAL CUSTOMERS AT THE TIME OF SERVICE INITIATION, IN BILL INSERTS, IN COMMUNICATIONS

1 WITH CUSTOMERS IN ARREARS, AND BY OTHER MEANS REQUIRED OR APPROVED BY
2 THE COMMISSION.

3 5. THE COMMISSION SHALL REQUIRE ELECTRIC AND NATURAL GAS CORPORATIONS
4 TO ESTABLISH REDUCED RATES PURSUANT TO THIS SECTION TO BE EFFECTIVE NO
5 LATER THAN JANUARY FIRST, TWO THOUSAND SEVENTEEN, AND TO FILE PERIODIC
6 REPORTS AT LEAST ANNUALLY REGARDING THE NUMBER OF ELIGIBLE CUSTOMERS
7 RECEIVING REDUCED RATES, UTILITY EFFORTS TO PROVIDE REDUCED RESIDENTIAL
8 RATES TO ALL CUSTOMERS ELIGIBLE FOR THEM, AND OTHER INFORMATION DEEMED
9 NECESSARY OR APPROPRIATE BY THE COMMISSION FOR THE EFFICIENT ADMINIS-
10 TRATION OF THE REDUCED RATES.

11 6. THE COMMISSION SHALL REQUIRE THAT THE INCREMENTAL REVENUE EFFECTS
12 OF ENHANCEMENT TO LOW-INCOME RATE PROGRAMS UNDER THIS SECTION BE
13 DEFERRED FOR SUBSEQUENT RATE MAKING TREATMENT. THE INCREMENTAL REVENUE
14 IMPACT OF SUCH RATE REDUCTIONS SHALL BE MITIGATED BY:

15 (A) APPLYING ANY EARNINGS OF THE UTILITY ABOVE THE ALLOWED RETURN ON
16 EQUITY SET IN THE MOST RECENT RATE CASE, PURSUANT TO SUBDIVISION TWENTY
17 OF SECTION SIXTY-SIX OF THIS ARTICLE;

18 (B) DISALLOWING ANY RATE OF RETURN PREMIUM FOR NOT FILING A RATE CASE
19 OR FOR SHARING OF OVEREARNINGS AFTER RATES ARE SET;

20 (C) UTILIZING ANY UNCOMMITTED REVENUES FROM SURCHARGES ALLOWED BY THE
21 COMMISSION BUT NOT EXPRESSLY AUTHORIZED BY STATUTE; AND

22 (D) DISALLOWING EXECUTIVE COMPENSATION OR BONUSES NOT ESSENTIAL TO THE
23 PROVISION OF SAFE AND ADEQUATE SERVICE.

24 AFTER APPLYING REVENUES FROM SUCH SOURCES, AND OTHER MITIGATION MEAS-
25 URES WHICH THE COMMISSION MAY APPROVE, ANY SHIFT OF REVENUE RESPONSIBIL-
26 ITY TO OTHER CUSTOMERS DUE TO THE REVENUE EFFECTS OF LOW-INCOME RATES
27 SHALL NOT BE BORNE SOLELY BY ANY SINGLE CLASS OF CUSTOMER.

28 S 3. This act shall take effect on the sixtieth day after it shall
29 have become a law.