

STATE OF NEW YORK

1621

2019-2020 Regular Sessions

IN SENATE

January 15, 2019

Introduced by Sen. PARKER -- 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 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 Assembly, do enact as follows:

Section 1. Section 65 of the public service law is amended by adding a new subdivision 16 to read as follows:

16. Reduced residential rates for electric and natural gas service to low-income customers. (a) Electric and gas corporations shall establish and continue reduced rate schedules for low-income electric and natural gas customers. The average effective rate reduction 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.

(b) Reduced residential rates for electric and natural gas service shall be established for any customer who receives 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, the telephone lifeline assistance program, and any other additional assistance program or income standard approved by the commission.

(c) Providers of electric and natural gas service shall cooperate with the commission and social services districts and other agencies to certify and recertify customer eligibility through privacy protected data exchanges approved by the commission to achieve efficient enrollment of eligible customers.

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

LBD00765-01-9

1 (d) Providers of electric and natural gas service shall strive to
2 provide reduced residential rates to all customers eligible for them,
3 and shall provide application forms for reduced rates to eligible low-
4 income customers on their websites, at their offices, and by other
5 means. Information regarding the availability and eligibility standards
6 for reduced rates shall be provided to residential customers at the time
7 of service initiation, in bill inserts, in communications to customers
8 in arrears, and by other means required or approved by the commission.

9 (e) The incremental revenue effects of enhancement to low-income rate
10 programs under this section shall be deferred for subsequent rate making
11 treatment and approval by the commission. The revenue impact of such
12 rate reduction shall be mitigated by (i) applying any earnings of the
13 utility above the allowed return on equity set in the most recent rate
14 case, (ii) disallowing any premium above the rate of return allowed for
15 not filing a rate case or for sharing of overearnings, (iii) utilizing
16 any uncommitted funds available from current surcharges allowed by the
17 commission and not expressly authorized by statute, (iv) disallowing
18 recovery from ratepayers of any costs of executive compensation bonuses.
19 After such mitigation measures, and other mitigation measures which the
20 commission may approve, any shift of revenue responsibility to other
21 customers due to the revenue effects of low-income rates shall not be
22 borne solely by any single class of customer.

23 § 2. The public service law is amended by adding a new section 66-p to
24 read as follows:

25 § 66-p. Reduced residential rates for electric and natural gas service
26 to low-income customers. 1. The commission shall require electric and
27 natural gas corporations to establish and continue programs of rate
28 reduction and other assistance to low-income residential electric and
29 natural gas customers, the revenue impact of which shall not be borne
30 solely by any single class of customer. The commission shall ensure
31 appropriate levels of rate reduction for low-income electric and natural
32 gas customers to mitigate hardship, which shall not be less than twen-
33 ty-five percent or more than thirty-five percent of the revenues that
34 would have been produced for the same billed usage by other residential
35 customers receiving full service from the utility who are not eligible
36 for the reduced rate. In establishing the appropriate percentage
37 reduction the commission shall ensure to the extent feasible that low-
38 income ratepayers are not jeopardized or overburdened by rates for elec-
39 tric and natural gas service.

40 2. The commission shall establish customer income and categorical
41 eligibility standards for reduced rates, which shall include, without
42 limitation, any customers who receive benefits from the supplemental
43 security income program for the aged or disabled or other persons, the
44 temporary assistance to needy families program, safety net assistance,
45 the supplemental nutrition assistance program, medical assistance, the
46 home energy assistance program, and the telephone lifeline assistance
47 program.

48 3. The commission shall promote full penetration of the reduced rate
49 assistance to all eligible customers through privacy protected data
50 exchanges with agencies providing assistance to categorically eligible
51 customers to achieve efficient enrollment, certification, and periodic
52 recertification of eligibility.

53 4. The commission shall require providers of electric and natural gas
54 service to provide information and application forms for reduced rates
55 to eligible low-income customers on their websites, at their offices,
56 and by other means, and to provide information regarding the availabili-

1 ty and eligibility standards for reduced rates to residential customers
2 at the time of service initiation, in bill inserts, in communications
3 with customers in arrears, and by other means required or approved by
4 the commission.

5 5. The commission shall require electric and natural gas corporations
6 to establish reduced rates pursuant to this section to be effective no
7 later than January first, two thousand twenty, and to file periodic
8 reports at least annually regarding the number of eligible customers
9 receiving reduced rates, utility efforts to provide reduced residential
10 rates to all customers eligible for them, and other information deemed
11 necessary or appropriate by the commission for the efficient adminis-
12 tration of the reduced rates.

13 6. The commission shall require that the incremental revenue effects
14 of enhancement to low-income rate programs under this section be
15 deferred for subsequent rate making treatment. The incremental revenue
16 impact of such rate reductions shall be mitigated by:

17 (a) applying any earnings of the utility above the allowed return on
18 equity set in the most recent rate case, pursuant to subdivision twenty
19 of section sixty-six of this article;

20 (b) disallowing any rate of return premium for not filing a rate case
21 or for sharing of overearnings after rates are set;

22 (c) utilizing any uncommitted revenues from surcharges allowed by the
23 commission but not expressly authorized by statute; and

24 (d) disallowing executive compensation or bonuses not essential to the
25 provision of safe and adequate service.

26 After applying revenues from such sources, and other mitigation meas-
27 ures which the commission may approve, any shift of revenue responsibil-
28 ity to other customers due to the revenue effects of low-income rates
29 shall not be borne solely by any single class of customer.

30 § 3. This act shall take effect on the sixtieth day after it shall
31 have become a law.