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RE: AN ACT to amend the executive law and the public service law, in relation to creating the state office of the utility consumer advocate.

**S.4550-A (Savino) / A.6239-A (Dinowitz)

MEMORANDUM IN OPPOSITION**

Energy Coalition New York opposes the subject legislation which would amend the Executive Law to create the state Office of the Utility Consumer Advocate.

Energy Coalition New York consists of New York State’s major gas and electric utility companies: Central Hudson Gas & Electric Corporation, Consolidated Edison Inc., National Fuel Gas Distribution Corporation, National Grid, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation. Coalition companies collectively employ more than 32,000 people, service more than 8.5 million customers and pay more than $3 billion in state and local taxes, assessments and fees. The member companies annually invest billions of dollars to make capital improvements to the electric and natural gas infrastructure located in New York State.

The Energy Coalition New York supports consumer representation in proceedings at the Public Service Commission (PSC). The creation of an additional state-funded office to intervene is duplicative and unnecessary, however, proceedings at the Public Service Commission (PSC) are already subject to significant scrutiny and regular participation by well-financed community groups, consumer advocates and similar organizations.

Numerous state-funded entities currently represent consumer interests in utility proceedings. It is the express mission of the Department of Public Service’s Offices of Consumer Policy and Consumer Services to advocate on behalf of consumers and consumer interests. In addition, the utility intervention unit of the Department of State, Division of Consumer Protection already operates with taxpayer funds on behalf of consumers. The utility intervention unit submits formal comments on proposals or regulations and provides experts to deliver testimony before the PSC. The Public Utility Law Project, a not-for-profit advocate which receives state funding, also intervenes in major rate cases and is an active party on behalf of low-income consumer interests. Finally, the New York State Office of Attorney General represents consumer interests in utility matters.

The Office of the Utility Consumer Advocate would be funded with monies collected from the 18-a surcharge, which is paid by energy consumers through their utility bills. The Governor’s budget proposes a significant reduction of this onerous fee, recognizing that recent commodity cost spikes due to the colder-than-normal winter have increased customer bills. Funding a new office with 18-a funds is a move in the wrong direction at this time.

Finally, it is important to note that commodity costs are not controlled by the utility and are the result of market forces. However, the utility intervention unit already actively participates in NYISO and other wholesale market processes to advocate for appropriate rules and policies that fall under federal regulatory jurisdiction.

Based on the foregoing, it is respectfully requested that this legislation not receive favorable consideration.

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