



MEMO IN OPPOSITION

Bill S.1508 / A.2008 Article VII TED, Part U

The Manufacturers Association opposes Bill S.1508 / A.2008 Article VII TED, Part U, which would authorize the Department of Public Service (DPS) to assess public utilities (telephone, electric, water, and natural gas companies), and ultimately their customers, for \$12,950,500, an increase of over \$10M from last year. The assessments would cover the expenses of the Departments of State, Agriculture and Markets, Environmental Conservation, the Office of Parks, Recreation and Historic Preservation, and a portion of the electric generation facility cessation mitigation fund.

Section 18-a (2) of the Public Service Law (PSL) authorizes the DPS to assess public utilities for costs associated with administering Public Service Law programs. In 2009, Public Service Law Section 18-a was restructured to end a practice of off-loading various agency costs on to utilities. Specifically, the 2009-2010 Budget increased the permanent assessment from one-third of one percent to a full percent (Section 18-a (2)(G)) of a utility's annual gross intrastate operating revenue. The 2009-2010 Budget also included a new two-percent "temporary state energy and utility service conservation assessment."

The more famous temporary assessment was scheduled to expire in March of 2014. In 2013, after extensive negotiations, the final 2013-14 state budget included an extension of the assessment, but committed the state to a full phase-out of the temporary assessment scheduled by the aforementioned March 2017 date. This budget does not extend the temporary assessment.

Affordable energy is a critical component to any thriving economy, and a necessity for New York businesses and residents alike. High energy costs continue to hinder growth for many of our economy-boosting sectors. We believe the assessment should be reduced to its past level, which was one-third of one percent. Further, the State should reject this expanding taxing mechanism and instead pay for general spending with general fund dollars.

MACNY, the Manufacturers Association, represents over 330 companies. Distributed across 26 counties in Central and Upstate New York, MACNY's member companies employ over 50,000 workers. The organization provides human resource services, training, purchasing solutions, networking opportunities and advocacy support for its members. For more information, visit www.macny.org.