

State lawmakers urge LIPA to quit PSEG



LIPA continues to negotiate with PSEG to hammer out a new contract that would address concerns about the company's failed response to Tropical Storm Isaias. Seen here, PSEG crews in Commack after the storm. Credit: James Carbone

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Fourteen state lawmakers from Long Island, in a letter to Gov. Andrew M. Cuomo Thursday, called for LIPA to terminate its contract with PSEG Long Island, and to instead transition LIPA to a fully public power authority.

LIPA has been considering such an option for months, in part based on the recommendation of the state Department of Public Service, a part of Cuomo's administration.

In a letter to Cuomo April 15, shown to Newsday, the lawmakers, including Sen. Anthony Palumbo (R-New Suffolk) and Assemb. Steve Englebright (D-

Setauket), urged LIPA to terminate the PSEG contract "as soon as possible" and to work toward becoming a "true public power company." A fully public LIPA would take over management of the utility, managing some 2,000 employees and adding around 13 higher-level managers to operate the grid itself. LIPA pays PSEG around \$80 million a year for around 20 top PSEG executives and managers to operate it now.

What to Know

- **State lawmakers are pushing** LIPA and Gov. Cuomo to send PSEG packing
- **They want LIPA** to instead become a fully public utility
- **That means LIPA would** hire more managers, oversee workforce of 2,000 workers
- **PSEG wants to** keep the system just as it is; says it's made improvements since last summer
- **LIPA is preparing** to make a recommendation at its April 29 board meeting

LIPA's board has scheduled a meeting April 29 to discuss the options. It continues to negotiate with PSEG to hammer out a new contract that would address concerns about the company's failed response to Tropical Storm Isaias, and other non-storm concerns. More than 530,000 customers lost power following the storm, and some were in the dark for more than a week, frustrated by incorrect restoration times and faulty telephone and text communication lines.

The lawmakers said Long Islanders have been "disappointed" by the public-private model whereby investor-owned PSEG manages the system for LIPA, which owns the poles, wires, substations and other grid infrastructure.

"While some improvements were made possible under this arrangement, poor service, a lack of reliability in inclement weather and a disdain for the concerns of the public have proven intolerable," they wrote.

A PSEG spokeswoman said the company continues to negotiate with LIPA and the state "in good faith and it remains committed to being the service

provider" for the region. "We maintain that a public-private partnership is the best option for Long Island customers and are actively working to regain their trust and confidence," she said.

The lawmakers noted public utilities across the country "have proven more affordable and reliable for customers. Publicly owned and managed electric suppliers are more responsive to customer needs, yielding higher customer satisfaction."

Others who signed the letter include Assembly members Fred Thiele (I-Sag Harbor) and Charles Lavine (D-Glen Cove).

The lawmakers concluded, "After a past riddled with mismanagement and failure now is the time to allow LIPA to meet the goals it was created to achieve."

Noticeably absent from the letter were the signatures of several state senators who have been supportive of a fully public LIPA.

State Sen. Jim Gaughran (D-Northport) said while he agrees with the spirit of the letter, he wants to go further than just firing PSEG and creating a new public authority.

"Just reforming PSEG without reforming LIPA and LIPA management doesn't solve the problem," Gaughran said. "We have to totally reform the LIPA structure," including to improve its oversight of utility operations.