

## \$18 M Fine For Con Ed Not Enough, Say Lawmakers

BY JOHN TOSCANO

Western Queens lawmakers had mixed reactions to Con Edison's being slapped with an \$18 million charge last week by the Public Service Commission (PSC) for failing to meet certain reliability targets in 2006. Most said it didn't go far enough.

State Senator George Onorato viewed the payback to the giant utility's customers as "a very just decision because it gives Con Ed a taste of its own medicine".

Onorato, beside calling the fine a just decision, also said it doesn't come near to compensating the victims of the blackout for the damages they suffered.

"Although the PSC did the right thing by fining Con Ed by failing to operate responsibly, the rebate to customers won't go very far at all and the company will be recouping it and then some with future rate increases," he said.

City Councilmember Peter Vallone Jr. said, "Diverting money from stockholders to ratepayers is a good start."

Vallone added, "This action is more evidence that this unreliable monopoly should be denied the opportunity to raise rates and hurt residents even more." Vallone had referred to Con Ed's application to the PSC for an 18 percent rate increase.

Assemblymember Michael Gianaris said the \$18 million "fails to even scratch the surface of what is necessary to hold Con Edison accountable for its poor performance in 2006".

Gianaris had called for sharply higher increases in compensation from Con Ed to local businesses for damages resulting from the 2006 nine-day blackout.

Following the PSC's action last week, he said, "The only changes that will have a real impact on Con Edison's performance are my proposed reforms to force competition and greater oversight into Con Edison's business model.

"I will continue to fight for these necessary dramatic reforms and will remain unsatisfied until they are implemented."

The \$18 million fine will give the utility's 3 million customers about \$6 each.

In announcing the \$18 million fine, PSC Chairwoman Patricia Acampora stated, "One of the commission's foremost area of concern is to ensure that electric distribution systems are safe and reliable.

"Con Edison did not meet four targets for system wide reliability in 2006. As a result of the utility's failure to meet these important targets, shareholders are directed to provide a credit to ratepayers. Hopefully, this sends a message to Con Edison that they must be diligent in efforts to maintain a reliable network, or they will face financial consequences."

Earlier this year, Con Edison filed its annual performance report for 2006 with the PSC, describing the company's compliance with its electric service Reliability Performance Mechanism (RPM). The company reported that it failed to meet four threshold targets: network interruption frequency; radial interruption frequency; network interruption duration and radial inter-



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ruption duration.

Under the terms of the RPM, which was adopted as part of the utility's rate plan in 2004, these failures resulted in the \$18 million revenue adjustment that is to be deferred for the benefit of ratepayers.

In response to the PSC's fine, Con Edison issued a statement saying, "We have learned many lessons from the outage in Long Island City as well as from the Westchester storms. Those lessons are already being applied to our policies and procedures to help prevent outages and ensure more rapid restoration when they occur."

## Forecasts Bring Calls For More Funding For Home Heating

BY JOHN TOSCANO

Stung by forecasts of higher energy costs this winter, public officials are scrambling for ways to ease the pain for homeowners.

United States Senator Charles Schumer, warning of a record 25 percent hike in home heating fuel, called on President George W. Bush to release \$150 million from the Low Income Home Energy Assistance Program (LI HEAP) now instead of waiting until the high cost of fuel hits later on.

Meanwhile, Governor Eliot Spitzer announced the start of this season's Home Heating Assistance Program, (HEAP), which this year includes an increase in payments for low-income New Yorkers.

The federally funded HEAP program assists eligible households in meeting their home energy needs. Spitzer said HEAP has begun accepting applications as of November 1 through local Departments of Social Services.

In Albany, state Senator Frank Padavan (R-C, Bellerose) announced he will introduce legislation that will authorize New

## Big 6 Hearing Shows Changes In Mitchell-Lama Housing

BY THOMAS COGAN

A maintenance hearing on premises last week at Big Six Towers, the high-rise cooperative complex (actually seven towers in all) at Queens Boulevard between 59th and 61st Streets conducted by the Division of Housing Supervision of the city Department of Housing Preservation and Development provided another look at the evolution of Mitchell-Lama housing.

Big Six has been in existence nearly 45 years and the Mitchell-Lama law a little more than a half-century. The feasibility of the housing that each was meant to afford the working and middle classes of New York City has come into question in recent years. The residents who were present at the hearing, most of whom were near retirement age, at the point of it or well into it, had questions of their own about the seemingly unstoppable march of rising costs. The hearing provided no immediate answers, nor was it supposed to. Gary Slomin, an assistant HPD commissioner who conducted it, said that ultimately HPD's housing supervision division would make an assessment based on what he called "a complete analysis, using our own methodology . . . of what it takes to run a Mitchell-Lama operation."

Building management set up about 50 chairs, but before the meeting could commence, folding chairs by the dozen were brought out for people continuing to show up; their number would finally come to about 100. In his preliminary remarks, Slomin said that he was conducting a public hearing, which would not be a give-and-take session but would allow statements from those who put their names in to make them. He then described the main problem at hand, an operational deficit in the 2007-08 budget of 4 percent. At the beginning of the new fiscal year, July 1, 2008, the Big Six debt service will be increased by \$491,000, he said, and money must be made available to meet it—hence the move by management to increase maintenance costs.

The first two speakers, Nathan Nass and Arthur Paolo, said they were Big Six residents since the beginning, or nearly so. Nass said that instead of funding rising expenses, property management should be reducing deficits that have been incurred over the years. Paolo, who said he found his new surroundings at Big Six "a joy" when he moved into his cooperative unit in 1963, lamented what he characterized as the decline since then of the Mitchell-Lama ideal: to keep a middle class tax base in the city. He declared that residents "shouldn't be penalized for keeping New York City alive". Slomin's reply of sorts was to remind his audience of the Senior Citizens' Rent Increase Exemption, or SCRIE, mention of which drew a few groans and hoots, perhaps because it, like the federal subsidies he also mentioned, was "too complicated to explain here". (SCRIE allows eligible senior citizens exemption from rent or maintenance increases, and correspondingly allows landlords eligibility for equivalent credits on their property taxes.)

A resident who might have been unborn when Big Six was opened spoke for those who moved in relatively recently. Doreen O'Leary, a city worker, became a resident in 2001. She told the audience that her residential expenses have increased to where she now pays in excess of 30 percent of her income each month to stay where she is. She said she is applying elsewhere for housing, fearing that in four or five years her Big Six home would be unaffordable. When she said she has seen sub-letting going on and would like an investigation of it, Slomin told her to confine her remarks to economic matters. Those who did keep their remarks within the scope of economics included Dorothy Kaminsky and Maxine Jacobowitz, who have been residents 40 years or more. Kaminsky called HPD a rubber stamp that ignores its own regulations, noting also that in 1988 it relinquished its

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**Padavan announced he will introduce legislation that will authorize New York City to reduce or eliminate its portion of the state sales tax on home heating fuels.**

under law. For example, a family of four with household income of as much as \$43,308—up from \$40,716 a year ago—would be eligible for energy assistance this year.