

Supervisor Romaine Asks Governor Cuomo to Enact State Legislation for LIPA to Waive Claims Under Pending Tax Certiorari Cases

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Letter to Governor warns that pending suits could have a "devastating effect" on the Town, Port Jefferson Village and School District

Farmingville, NY - On February 26, Supervisor Ed Romaine sent a letter to Governor Andrew Cuomo asking him to include language in any legislative act to dissolve or reorganize LIPA that would force the power company to discontinue proceedings and waive its claims to refunds under pending Tax Certiorari cases. This includes an action filed against the Town in September 2010 with additional actions filed in 2011 and 2012, seeking a 90% reduction in the assessment of the Port Jefferson Power Plant. These actions were filed even though LIPA made a commitment in 1997 and 2004 saying that they would not file a tax grievance unless the Town made a change in the Plant's assessment. In the letter the Supervisor indicated that, "The Town has kept its pledge in that regard; clearly LIPA has not."

The letter also points out that if the pending LIPA suits are successful, "the impact on the Town, the Village of Port Jefferson and the Port Jefferson School District will be devastating," by more than doubling real property taxes in the Village and School District and by a 10% real property tax increase for the remainder of the Town. The Supervisor also says that for LIPA to proceed with the suits is "not a viable option" and that they would save only a small amount from their budget with minimal impact on ratepayers. The language that the Supervisor asked to be included in the legislation is similar to that of the original LIPA act in which they agreed to waive any right of recovery from Tax Certiorari cases brought against the Town and the Shoreham Wading River School District as a result of closing the Shoreham Nuclear Power Plant in 1989. The plant was fully decommissioned in 1994.

The Supervisor also comments in the letter that he also hopes the LIPA/National Grid Power Supply Agreement (PSA) will be approved soon by the State Comptroller's office and that the Port Jefferson Power Plant is rebuilt to increase available power and efficiency, resulting in lower electric bills for ratepayers. This is especially important due to the possible retirement of the Indian Point power plant.

Division of Public Information * Office of the Supervisor

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