Title: This bill would amend the Public Service Law by adding language to prevent the cost of membership dues paid by any public utility to any entity that engages in legislative lobbying from being considered part of that utility's operational costs that are charged to ratepayers.

Statement of Support: According to Public Service Law § 114-a, rates charged by utilities to ratepayers are not supposed to include the costs of legislative lobbying on behalf of the utilities, since they may be trying to influence legislation that goes against the interests of the ratepayers. Utilities often belong to trade associations or other entities which lobby at both the state and federal level. The trade association presents a utility with a bill, which identifies a percentage of the bill as paying for lobby activities, and this amount is subtracted from the bill before including the remainder in rates charged to consumers for expenses. The membership cost of belonging to the trade association is paid for by ratepayers.

The lobby activities portion identified in the bill is often less than 20%, and the utility does not need to prove how the remaining funds are used by the trade association. Therefore, ratepayers are likely to be subsidizing some of the political activities of these lobby organizations that might go against consumers' interests. If a utility company attempts to influence legislation by belonging to a trade association or similar lobby organization, those costs should be paid for by the shareholders who would profit from the legislation, not the ratepayers. It is in the Sierra Club's experience that when utility oriented trade associations lobby against the interests of ratepayers, they are also lobbying against the environment. We do not believe that ratepayers should be saddled with the costs of advocacy against emissions reductions for power plants, improved water quality standards for effluent discharge and compliance with state climate goals.

S.1556/A.6871 will prevent public utilities, through trade associations, from circumventing the Public Service Law, which does not allow ratepayers to be charged for the cost of legislative lobbying.

Sierra Club urges your support of this important legislation that protects the interests of ratepayers and the environment.