

Adopted

10/98

TOWN OF RIVERHEAD

Resolution # 508

AUTHORIZES LITIGATION TO REDUCE ELECTRIC RATES BY OPPOSING THE BIFURCATED RATE SCHEDULE FOR SUFFOLK COUNTY INSTITUTED BY THE LONG ISLAND POWER AUTHORITY

COUNCILMAN CARDINALE offered the following resolution, was seconded by

COUNCILMAN LULL

WHEREAS, the Suffolk County Tax Act provides for a method of financial repayment to individuals or businesses whose properties were over-assessed by a town; and

WHEREAS, if a court determines that a town was liable for over-assessing property, the court will award a judgment to the property owner, which the town is primarily responsible for paying; and

WHEREAS, according to the Suffolk County Tax Act, the county pays the full judgment, which includes its fair share, and then charges back, or bills, the guilty town liable for over-assessment for its appropriate share of the judgment; and

WHEREAS, the county's share of a tax certiorari judgment is charged back to all ten towns in proportion to each town's share of the full equalized value of property in Suffolk County; and

WHEREAS, the court determined that the Town of Brookhaven was liable of over-assessing the Shoreham plant in the amount of approximately \$1 billion, inclusive interest; and

WHEREAS, according to the Suffolk County Tax Act, Brookhaven's total share of the Shoreham judgment should be 76 percent, or \$915 million. The remaining 9 towns of Suffolk County should have a 24 percent responsibility for the judgment; and

WHEREAS, according to the Suffolk County Tax Act, the Town of Riverhead should have a 0.22 percent of the judgment, or \$2.6 million and

WHEREAS, the deal between LILCO and the Long Island Power Authority violates the Suffolk County Tax Act and reduces Brookhaven's tax judgment responsibility from 76 percent to 22 percent; and

WHEREAS, the LILCO-LIPA deal increases Riverhead's share of the judgment from

1.22 percent to 2.29 percent, \$27.4 million; and

WHEREAS, without the approval of Suffolk County, the Long Island Power Authority, as implemented a bifurcated electric rate in Suffolk County, a 2 percent electric rate surcharge above Nassau County's on all Suffolk ratepayers for 30 years, as a way to subsidize the Town of Brookhaven concerning the \$1 billion tax certiorari judgment; and

WHEREAS, a State Supreme Court ordered stipulation on May 28, 1998, between the Long Island Power Authority and the Initiative For Competitive Energy states: "In the event the Court invalidates any portion of the rate schedule LIPA will provide prompt credits to customers to reflect the Court's decision"; and

WHEREAS, oral argument in State Supreme Court on the legal validity of LIPA's bifurcated rate is scheduled for June 11, 1998.

NOW THEREFORE BE IT RESOLVED, that the Riverhead Town Board believes that the bifurcated electric rate established by the Long Island Power Authority is illegal and discriminatory against the people of Riverhead; and be it further

RESOLVED, that the Riverhead Town Board authorizes the Riverhead Town Attorney to join the lawsuit in State Supreme Court entitled "The Initiative For Competitive Energy, Jack Tulka v. The Long Island Power Authority (Index No. 98-12-125), at no cost to the Town. as a party plaintiff.

THE VOTE

Cardinale	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Kent	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Kwaana	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Lull	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Villetta	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No			

THE RESOLUTION WAS WAS NOT

THEREUPON DULY DECLARED ADOPTED