

LIPA users push for surcharge probe

BY MARK HARRINGTON
STAFF WRITER

SkYROCKETING electric bills from the Long Island Power Authority have been called many things — but are they illegal?

About 100 Long Islanders apparently believe they are, according to petitions that a Patchogue resident has forwarded to the U.S. Postal Inspection Service seeking a mail-fraud investigation because of ballooning fuel surcharges. The Postal Service says it will evaluate the complaints.

Carmine Vasile, a LIPA gadfly with a PhD in electrophysics, began blanketing his Patchogue community last week with petitions demanding a mail-fraud probe of LIPA. He's basing his efforts on the theory that LIPA's fuel-adjustment surcharge skirts a state rule that requires LIPA to seek Public Service Commission approval for rate increases above 2.5 percent. Because LIPA sends the bills via mail, he's alleging it's violating federal mail-fraud statutes.

The surcharge, which LIPA has locked in place for the next

two years, hit its highest level in January.

LIPA said it believes it has followed the law and the surcharge merely passes on the increased prices in oil and natural gas charges it must pay to power fuel plants.

Vasile and his supporters aren't buying it. "You're talking about a huge accounting fraud," charged Vasile, who said he plans to contest his latest electric bill by refusing to pay the surcharge and seek a credit of \$1,786.96 for all past surcharges he's paid since 2001.

Although Vasile, who tangled with LIPA in the past when it declined to endorse an energy-saving device he invented, isn't known in utility circles, his message has struck a chord with some.

"At first glance you might think he's [off-base], but when you really look at it, he may be on to something here," said Patricia Eddington, a Democratic state assemblywoman in Vasile's district who has long criticized LIPA surcharge increases. She has sponsored a bill that has passed the Assem-

bly seeking to force the surcharge increase through the Public Service Commission. It now seeks Senate approval.

LIPA has proposed a change in its base rate structure, which was established in May 1998, to take into account increased fuel costs.

"In the guise of a temporary surcharge, we've had tremendous increases in our LIPA bills," said Eddington, who called the phenomenon "LIPA-suction."

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Jeffrey Gordon, a spokesman for State Comptroller Alan Hevesi, declined to comment on Vasile's complaint, but added: "The study we issued last month indicated that LIPA used a loophole in the law to increase costs seven times with surcharges rather than going through the PSC review, and we've called on the PSC to conduct an aggressive analysis of LIPA's recent rate increase request."

Bert Cunningham, a LIPA spokesman, said the utility believes it has not violated the law. "It's our feeling that we followed the law and our tariff," he said. "... The surcharge is the only way we have of recovering the increased cost for fuel above our base rate established in May 1998. [Fuel costs] have increased astronomically, and we haven't recovered all the costs."

That's little solace to Phil Gambino, a resident of Leisure Knoll, a retirement community in Ridge, who is also president of the residents' board of directors. All 701 homes in the community of mostly fixed-income residents rely on electric heat.

"Yes, there is outrage here," Gambino, who plans to circulate Vasile's petition, said. "People are obviously very upset when they have no control" over increases.

David Bryant, a Ronkonkoma resident, said he was perplexed to learn recently that his electric bill is almost three times that of his father, who is a customer of Kansas City Power & Light in Missouri. "It just seems like it's going from bad to worse," he said.

Girolamo Gambino, owner of Casa Rustica restaurant in Smithtown, said a January bill of \$2,991 included a surcharge of \$1,005, which nearly matched his electric use bill of \$1,163. "I can't put 'fuel surcharge' on my menu," he said. "This is cutting my profits in half."

A spokesman for state Attorney General Eliot Spitzer said, "We've received a number of complaints" and are "closely monitoring the situation."

A spokeswoman for the Public Service Commission said the agency won't be reviewing the surcharge issue.

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