## LIA opposes LIPA privatization plan

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The <u>Long Island Association</u> formally opposed a plan by <u>Gov. Andrew Cuomo</u> to privatize the <u>Long Island Power Authority</u> at a board meeting Wednesday.

The resolution adopted by the LIA's board instead recommended LIPA move forward with a transition of management to New Jersey-based <u>PSEG</u>.

<u>National Grid</u>, the company currently handling LIPA's daily management tasks, has a contract that expires at the end of the year. PSEG is scheduled to take over beginning in January.

"We have an open mind about privatization, but we're saying it's not the best thing at this time, considering we're nine months away from the changeover in contract," LIA President and former LIPA chief Kevin Law. "Our priority is keeping the lights on come January."

The LIA also called for an amended, strengthened contract with PSEG, giving the New Jersey utility company control over the system for storm preparation, communication and restoration efforts. That would shift accountability for future power problems to PSEG, rather than LIPA itself.

Earlier this year, Cuomo called for the complete privatization of LIPA, after Hurricane Sandy exposed many flaws with the public entity. Some LIPA customers were left without power for more than two weeks.

"It doesn't work and it never has," Cuomo said at the time.

Cuomo's plan comes out of a recommendation by the Moreland Commission organized in response to Hurricane Sandy.

But many have been leery of the privatization plan, saying it could result in increased rates for LIPA's already overburdened consumer base.

"We're remaining open minded to any proposals that come forward," Law added.

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