Legislation Details (With Text)

File #:	Res 1602-2021	**Version:**	*	**Name:**	Requiring utility companies (including gas, electric, water, internet and telecommunications) to prorate customer bills to compensate for disruptions in service.
Type:	Resolution			**Status:**	Filed (End of Session)
				In control:	Committee on Consumer Affairs and Business Licensing
On agenda:	4/22/2021				
Enactment date:				**Enactment #:**	

Title: Resolution calling upon the New York state legislature to pass and the Governor to sign, legislation requiring utility companies (including gas, electric, water, internet and telecommunications) to prorate customer bills to compensate for disruptions in service.

Sponsors:

Indexes:

Attachments: 1. Res. No. 1602, 2. April 22, 2021 - Stated Meeting Agenda with Links to Files, 3. Hearing Transcript - Stated Meeting 4-22-21, 4. Minutes of the Stated Meeting - April 22, 2021

Date	Ver.	Action By	Action	Result
4/22/2021	*	City Council	Introduced by Council	
4/22/2021	*	City Council	Referred to Comm by Council	
12/31/2021	*	City Council	Filed (End of Session)	

Res. No. 1602

Resolution calling upon the New York state legislature to pass and the Governor to sign, legislation requiring utility companies (including gas, electric, water, internet and telecommunications) to prorate customer bills to compensate for disruptions in service.

By Council Member Dromm

Whereas, For most New Yorkers, at least thirty percent of their income is spent on housing and basic (electric, gas, water) utilities; and

Whereas, New York ranks as the fifth most expensive state in the country for utility bills, and residents pay more, on average, for electricity, gas and internet services; and

Whereas, It is not surprising then that New York City is one of the most expensive places in the world to live; and

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Whereas, Unfortunately, even though New Yorkers are paying some of the highest prices in the country for their utilities, they do not necessarily receive the best service or most satisfying customer experience; and

Whereas, According to data from the Office of the New York Attorney General, utility-related complaints, which include those against electricity, water, gas, phone, cable and internet service providers, were in the top five most-common complaints in 2019; and

Whereas, Earlier this year, Verizon Fios customers in New York, and along the whole northeast of the country, experienced internet outages over a number of hours; and

Whereas, Such outages are frustrating at the best of times, but now, during the COVID-19 pandemic when people are forced to work and study mostly online, these outages are incredibly disruptive; and

Whereas, The consequences for electricity outages are even more severe; and

Whereas, Over the past few summers, New Yorkers have experienced numerous power outages, often during searing heatwaves; and

Whereas, The consequences of these outages can be deadly and, adding to the injustice, not distributed equally; and

Whereas, For instance, in New York, Black residents are the victims in a majority of heat-related deaths, despite only comprising around a quarter of the city's population; and

Whereas, Such deaths are largely preventable when cooling is available, accessible and affordable; and

Whereas, Even when the impact of utility outages is not life-threatening, from a consumer perspective, it is trying and disruptive; and

Whereas, Even more frustrating for customers is that, in most instances, they continue to be billed, even when there are service disruptions; and

Whereas, While it is sometimes possible to get a credit or refund for interrupted services, often customers will have to negotiate for refunds, adding further frustration and hassle; and

Whereas, In some jurisdictions, the law provides for customer reimbursements if there are utility outages; and

Whereas, Seattle, for example, offers cable customers a bill of rights that stipulates a range of compensation amounts for various problems with services; and

Whereas, In New York state, the Department of Public Service, which regulates utilities such as electric, gas, steam, water, cable and telecommunications, dictates that cable customers who experience an outage of more than four hours are entitled to prorated compensation, provided the customer applies for the reimbursement; and

Whereas, At present, no such regulations exist for electricity or steam utilities in New York, although Senator Michael Gianaris has introduced S.86, which would establish reimbursement mandates for these customers in the event that they experience service disruptions; and

Whereas, Until there are comprehensive regulations, utility customers are left with little recourse in securing compensation for outages, outside of negotiating with the utility company for a refund; and

Whereas, This gives utility companies little incentive to improve their service; and

Whereas, In the United Kingdom, the government communications regulator (Ofcom), which oversees television, radio, video on demand, cellphone and landline, and postal services, set up their compensation scheme to consciously tackle this consumer protection issue; and

Whereas, Prior to the April 2019 implementation of the compensation scheme, Ofcom found that there were more than seven million cases of customers suffering from delayed repairs, loss of service and other consumer issues, but that compensation was only paid out in small amounts in about one in seven cases; and

Whereas, By establishing a mandate for automatic compensation, however, utility companies are put on notice that their poor service will result in customer reimbursements and thus, encourages these companies to improve service; and

Whereas, Customers in New York deserve the same kinds of protections for all of their utilities; and

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Whereas, Living in one of the most expensive cities in the world should guarantee reliable service of essential amenities, such as electricity, internet, gas, water and telecommunications; and

Whereas, When this cannot be guaranteed, customers should at least feel certain that they will be compensated for service interruptions; now, therefore, be it

Resolved, That the New York state legislature pass and the Governor sign, legislation requiring utility companies (including gas, electric, water, internet and telecommunications) to prorate customer bills to compensate for disruptions in service.

LS #16968
3/31/2021
LMS