

ANNE P. VAN BUREN
Director, Energy and Telecommunications

October 14, 2005

Ms. Jaclyn A. Brillling
Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Brillling:

RE: *PSC CASE 05-M-0090 - Notice Soliciting Comments In the Matter of the System Benefits Charge III*

The Business Council of New York State strongly urges the Commission to continue the current exemption from the System Benefits Charge (SBC) given to NYPA economic development and some flex rate customers.

High energy costs are a significant factor in the high cost of doing business in New York State, especially for our manufacturers and other energy-intensive companies. Power costs remain a significant competitiveness issue and we are very concerned about the impact power costs are having on Business Council member companies, and the state's economy.

We have expressed numerous concerns with the state's SBC program (see attached letter to Secretary Diexler dated November 20, 2000 and the letter to Secretary Brillling dated March 4, 2005). We re-iterate those objections again today.

As The Business Council, and Multiple Intervenors', (MI) have stated in filings in the Renewable Portfolio Standard case, the legislative intent of NYPA's economic development power program is that customers should purchase electricity at a lower price than investor-owned utility tariff rates. To impose a SBC surcharge on NYPA's economic development customers because their electric rates are below the state average would be entirely inconsistent with state policy. Indeed, in Judge Stein's recommended decision in the abovementioned case, she states that "adding costs to a priority program for economic development may have adverse consequences disproportionate to the benefits." (RD at 66)

Customers that purchase electricity under the various economic development power programs have demonstrated that the low-cost power is essential to the well being of their business and the creation/retention of jobs.

For these reasons, we urge that the Commission continue the exemption from the SBC for NYPA's industrial customers and certain flex rate customers, and indeed, extend this exemption to all customers participating in the various economic development power programs available from New York State.

Respectfully submitted,

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