

*Washington, DC* - Congressman Maurice Hinchey (D-NY) today expressed his unequivocal opposition to a petition recently filed with the Federal Energy Regulatory Commission (FERC) by New York Regional Interconnect (NYRI) that would use ratepayer surcharges to guarantee a rate of return for the company's financial backers. Hinchey, along with other members of Congress, will soon send a letter to FERC Chairman Joseph T. Kelliher urging the Commission to reject NYRI's latest application.

NYRI has petitioned FERC to set a project life-time rate of return on equity (ROE) of 13.5 percent for their proposed power line under provisions contained in the Energy Policy Act of 2005 -- legislation that Hinchey opposed and voted against. The Energy Policy Act directed FERC to develop incentive-based rate treatments for transmission of electric energy in interstate commerce.

"The audacity of NYRI requesting rate incentives is stunning," Hinchey said. "Not only has this corporation worked to circumvent state permitting authority and force their ill-conceived power line upon communities throughout eight counties, but now it wants New York ratepayers to guarantee NYRI's investors a handsome profit. In essence, ratepayers will be forced to subsidize a foreign-owned corporation for its costs of developing this power line, including seizing private property, and investor profits for an unjustified project that will destroy many of our communities.

"This type of corporate socialism comes directly out of the secret meetings that Vice President Dick Cheney had with energy companies to develop the Energy Policy Act. These corporate subsidies will be placed on the back of local ratepayers who are already struggling under the weight of rising costs and an economy in recession. FERC should soundly dismiss this ridiculous and offensive request for preferential treatment."

In its request to FERC, NYRI highlighted "permitting challenges" as being one of the reasons why it needed the higher return on investment (ROE.) NYRI further noted that their project required this special rate treatment in order to obtain construction financing and continue development activities.

Hinchey continued, "It seems that NYRI has to depend upon subsidies and special advantages to advance this project, which in a free and open market would have no chance of being financed or constructed. We know that this project is not needed and that there are much more reasonable alternatives for our energy future, such as increasing energy efficiency and promoting renewable energy. Since its project cannot compete with the alternatives, NYRI continues to try to tip the playing field in its favor at the expense of local communities and

ratepayers. It's ludicrous that NYRI feels its legal fees should be financed by the very people who strongly oppose it in the first place."

The congressman is continuing to pursue a variety of legislative solutions to block NYRI from moving forward with its plans to develop an unnecessary and environmentally-detrimental 190-mile power line through upstate New York. The letter from Hinchey and his colleagues in the House to FERC is expected to be sent in the coming days.