

BROOKHAVEN TOWN

# Savings in settling with LIPA on taxes

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Brookhaven Supervisor Edward P. Romaine said Tuesday a tentative deal to settle a dispute with the Long Island Power Authority over tax assessments on the Port Jefferson power plant would save money for ratepayers who have been overpaying taxes on the little-used plant.

Romaine, during his annual State of the Town speech at Brookhaven Town Hall, said assessments on the National Grid-owned plant will be decreased gradually over the next nine years, reducing the impact of lost payments in lieu of taxes for the town, the Port Jefferson school district and other tax recipients.

LIPA pays about \$32.6 million in lieu of taxes annually on the 60-year-old Port Jefferson plant, which utility officials

say is overassessed because it is rarely used.

The Brookhaven deal would begin to reduce LIPA's payments on the Port Jefferson plant during the 2018-19 tax years. Romaine said the settlement includes "a guarantee by LIPA that savings from the lower assessment will be returned to the ratepayers in the form of lower electric bills."

He did not discuss details of the settlement, which he called an agreement in principle.

"These taxes are paid by all our residents in their electric bills, but disproportionately benefit a small number of taxing districts near the plant," Romaine said.

In an email, a LIPA spokesman said: "LIPA continues to engage in productive settlement discussions with the town and we hope to reach a final agreement."



Edward P. Romaine delivers the State of the Town on Tuesday

Romaine said the town and other taxing districts would benefit from the settlement because a court could have ruled in LIPA's favor, and allowed the utility to stop making payments immediately.

By reaching a settlement, Brookhaven officials also would avoid the possibility of having to repay LIPA up to

\$200 million in overpaid taxes.

The announcement was criticized Tuesday afternoon by officials with Port Jefferson schools, a district that receives about 40 percent of its annual revenue from LIPA.

Town officials announced the deal "without any input from the school district," Superintendent of Schools Paul Casciano said in a statement.

Port Jefferson Mayor Margot Garant said school officials have been part of the settlement talks.

Garant said village officials will continue to pursue a separate settlement with LIPA. The village is not included in the Brookhaven settlement because it conducts its own property assessments.

Garant said village officials, while continuing to press LIPA to repower the Port Jefferson plant, are preparing for a steep drop in LIPA revenue by estab-

lishing a capital reserve fund.

"There's going to be an adjustment," Garant said. "We're ready."

Most of National Grid's aging plants have been used less in recent years as LIPA has turned to sources such as the Caithness plant in Yaphank and undersea power cables, as well as green-energy sources.

Brookhaven is one of several municipalities that have fought LIPA over assessments of four plants owned by National Grid. LIPA officials have said they pay a total of more than \$176 million annually in payments in lieu of taxes on the plants. The other plants are in Northport, Island Park and Glenwood Landing.

The case involving the Northport plant and Huntington Town is scheduled to go to trial in June. Huntington and LIPA officials are discussing a settlement.

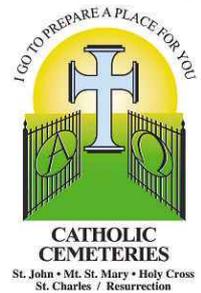
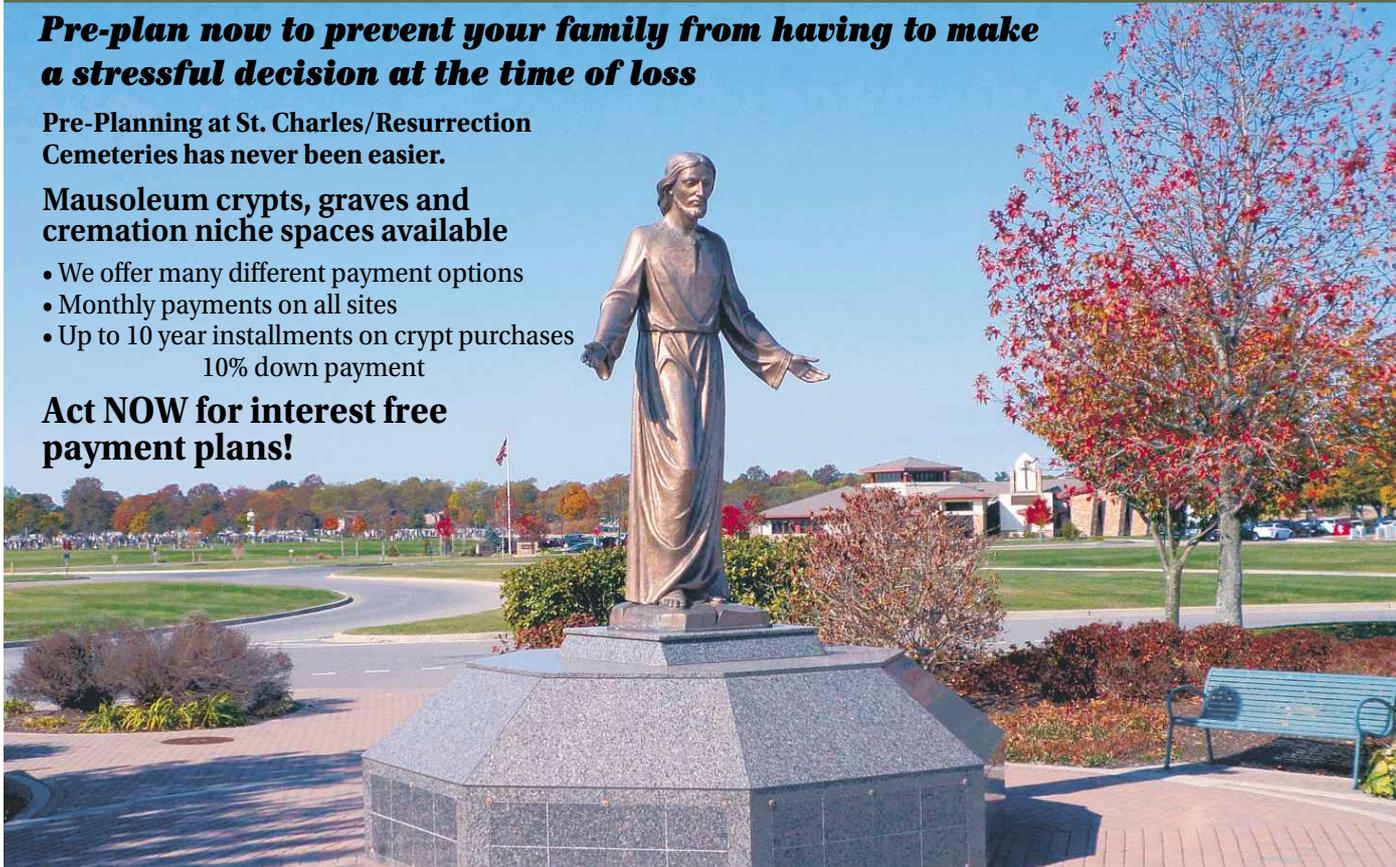
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