

Scam cost NY consumers up to \$400 million; put state at risk of blackout

Saying there was enough correspondence sent to Senator Charles Schumer's office for him to instigate an investigation, Tupper Lake Electric Superintendent John Bouck reported to the village board last Tuesday that the senator was going to meet with the Federal Energy Regulatory Commission (FERC) to discuss the rerouting of power around Lake Erie. And meet with him he did!

The following day, in a press release from Senator Schumer's office, it was reported the senator had met personally with the top FERC official that day to press his three-point plan to seek redress for New York consumers and municipalities after this summer's trading scam fleeced New York consumers of untold millions and put an extra burden on the New York area's power grid.

Between the months of January and July of 2008, market traders were using deceptive energy trading practices that slammed consumers with millions of dollars in unnecessary, additional fees and posed a threat to the electric system's reliability.

"Someone deceived us!" Mayor Mickey Desmarais said Tuesday. "We shouldn't have paid the outrageous amounts they charged us!"

"It was a case of you do it or you put people in harm," Trustee Marvin Madore determined. "The guy who did this should be relieved of his duties! He obviously has no experience in the north country where it is pertinent that we have power and the availability of power! When it comes to push and shove, they say do it or else! I find a great deal of fault with the state to allow someone to do this to us!"

"Do I think there will be enough pressure to get the money back?" John Bouck asked. "I have no idea. They're trying to get to the bottom line of how much it's costing all of New York State. We have to ride it out."

According to the press release Wednesday, in an effort to protect consumers and local municipalities, Senator Schumer urged FERC

to conduct a more aggressive, public investigation of the energy trading scam and its full consumer impact; permanently close potential market loopholes, and increase market monitoring.

The Senator said he would follow up with legislation if necessary.

"New Yorkers were ripped off by a group of rogue energy traders and we must make sure it doesn't happen again," the senator said. "Today I had a list of questions as long as my arm for Mr. Kelliher: how much did these trades cost New Yorkers; when did FERC first know about this and are there other loopholes that could be exploited? Bottom line, FERC must determine the full consumer impact and quickly put the lights out on these shady practices!"

According to a July 21 filing with FERC by the New York State Independent System Operator (NYISO), beginning in at least January of this year, one or more market participants began to schedule circuitous and inefficient routes for transmission between states. Direct transactions between two points- principally from New York to the PJM Service Territory in either Pennsylvania or New Jersey- were scheduled to be "sent" on a roundabout course that purportedly would travel around Lake Erie, transporting power through Ontario, Michigan and Ohio and then back to the intended destination in Pennsylvania or New Jersey.

"This practice of scheduling power on circuitous routes around Lake Erie was unnecessary and costly to New York utilities, power producers, and consumers," the senator said. "The economic motive for this practice appears to be evading fees associated with sending power over congested, direct lines between New York and New Jersey for which there is a more costly transaction fee.

But even though the power was scheduled to be sent on that roundabout route, the physical properties of electricity dictate that it travels

principally on the path of least resistance- often the shortest path- meaning it still traversed the congested lines in New York the traders were trying to evade."

While the NYSIO has yet to determine the exact costs of these trading practices, some estimate that increased congestion and "uplift" fees have cost consumers as much as \$125 million in April and May of this year alone, and as much as \$240-290 million overall.

"It appears that this practice may have played at least a part in New Yorkers spiking utility bills, as well as the record bills faced by many municipal electric utilities," the press release stated. "Furthermore, as the scheduling concealed the volume of traffic that would travel on certain transmission paths, system reliability was threatened due to unanticipated power loads traveling on already highly congested lines. Without proper monitoring, this could lead to regional and more system-wide outages and blackouts."

In upstate New York, small cities like Plattsburgh, Rouses Point and Tupper Lake, for example, have been hit with exorbitant uplift fees from NYISO, hundreds of thousands of dollars in excess of what they usually pay. The full impact on consumers is still unknown but could have affected consumers and municipalities across New York State.

In an effort to seek full redress for New York consumers, Senator Schumer pushed his three-point proposal to ensure that FERC's investigation is thorough and institutes the right safeguards to prevent the trading practices from happening again. Schumer

called for FERC to launch a vigorous public investigation, including full consumer impact, institute more stringent market oversight and close off further loopholes.

"Make no mistake about it. I will not stop until we get to the bottom of this scheme and New Yorkers receive the compensation they deserve," Schumer said. "It is the foundation of American justice and due process that investigations of alleged wrong doing be conducted in the light of day, not behind closed doors, and I will press FERC to do just that!"

Schumer wrote, "It is absolutely critical that FERC determine exactly who have been engaging in these practices; for how long have they been occurring; and how much it has cost New York consumers and municipalities."

FERC subsequently announced that it had begun the investigation in May of 2008, during the period when circuitous route trades were occurring. However, they did not put a stop to these trades until petitioned by the NYISO in July.

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Many prizes can be won by walkers in Northwoods Challenge on October 5th

A host of valuable door prizes will greet participants in this year's version of the Northwoods Challenge five kilometer run or walk on Sunday, October 5. The fun event starts and finishes at the new train station, as this year's event benefits the Next Stop! Tupper Lake building project.

Free t-shirts will be given out to anyone who registers by this Friday, September 27. An application form and all the information can be found in an advertisement in this week's issue.

Everyone who participates will be entered in drawings for hundreds of dollars in gift certificates provided by over a dozen local sponsors, which include Casier Furniture, Guidos Pizzeria, Little Italy, the Leather Artisan, Claire's Therapeutic Massage, Raquette River Outfitters, Sun Creations, Fallen Arch sporting supplies, the Tupper Lake Wild Center, Hackett's, Jreck Subs, Darrah Auto Body, Aubuchon's Hardware, Rite Aid Drug Store and Kinney Drugs.

Organizers say more donations to the Northwoods Challenge are arriving every day.

For information about the event contact either Katherine Sabin at 524-0155 or Noryce Burgey at 891-6636.

Firefighters respond to fire on Burnt Island on Tupper

The Tupper Lake Fire Department was called to the scene of a ground fire on Burnt Island on Tuppe Lake at 2:06 p.m. Saturday with 21 members and two trucks responding.

Five thousand gallons of water and two portable pumps were used to douse the flames. Members of the Tupper Lake Dive Team assisted with the transportation of equipment to the scene of the fire.

Members returned to the station at 3:47 p.m.

Beth Joseph Synagogue
 Mill St.
Rosh Hashonah Services
Monday, Sept. 29th-7:30 p.m. Chicken Dinner at 6 p.m.-Brick Oven Cafe
Reservations required Call Janet 359-9594 or Barbara 359-2173
Tuesday, Sept. 30- at 10 a.m. Pot Luck Dairy Lunch
Wednesday, October 1- at 10 a.m.
Yom Kippur Services
 Rabbi Rita Leonard, Traditional-independant
Wednesday, October 8th- at 6:30 p.m.
Thursday, October 9- at 10:30 - 1 p.m.
Breaking the fast home of Rabbi Leonard



Guide to Dining Out

Delivery 4-8 pm

Main Street Restaurant
 79 Main St., Tupper Lake
 Open 7 a.m. - 8 p.m.
 Homemade Soups & Daily Specials
 Take-Outs Available
 359-7449

Reandeu's Swiss Kitchen
 Park St., Tupper Lake, NY 12986

 Open 5:30 a.m. - 8 p.m.
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 Take-Outs Available 359-3513

The Pinecone
 68B Ranger School Road
 Wanakena, New York 13695
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 Thurs. - Sat. 11:30 a.m. - 9 p.m.
 Sun. 12 Noon - 7 p.m.

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