

LONG ISLAND / SUFFOLK**State judge OKs Brookhaven-LIPA tax settlement**

The first such agreement after a decade of utility tax challenges will gradually cut LIPA's taxes for the Port Jefferson power plant in half.



PSEG's Port Jefferson power plant is shown on July 2, 2016. Photo Credit: Newsday/John Paraskevas

By Mark Harrington

mark.harrington@newsday.com [@MHarringtonNews](#)

Updated December 14, 2018 6:00 AM

A State Supreme Court judge on Friday gave the green light to a settlement agreement between LIPA and Brookhaven Town that will gradually cut the utility's taxes for the little-used Port Jefferson power plant in half — the first such agreement after a decade of utility tax challenges.

Under terms of the deal, Brookhaven will reduce LIPA's tax bill for the Port Jefferson power station by approximately 50 percent over a phase-down period of nine years, starting this year, though reductions won't start until the 2019-20 tax year. The move would reduce the \$32.6 million LIPA pays in annual taxes for the plant to just over \$16.8 million by 2026.

The agreement is a notable success for LIPA, which has long complained of the more than \$176 million in taxes it pays on four National Grid power stations, including one in Glenwood Landing that was demolished in 2013.

Brookhaven Supervisor Ed Romaine was the first public official to embrace the settlement agreement, noting that the town faced the "financially devastating" possibility of having to pay hundreds of millions of dollars in back taxes if it were to go to court and lose the case.

"This deal puts an end to the uncertainty of this plant over the course of nine years and gives finality to this issue," Romaine said in a statement. "LIPA has said throughout this process that savings from the lower assessment will be returned to the ratepayers in the form of lower electric bills, which will benefit all Brookhaven residents."

LIPA in a statement called the agreement a "fair settlement that puts the taxes on the Port Jefferson plant back on a sustainable path."

The Port Jefferson plant is used less because LIPA has increased the share of more efficient power sources, including solar-energy installations, and the Caithness power plant in Yaphank, for which it pays around \$10 million annually in taxes.

The Brookhaven settlement could work in LIPA's favor in attempting to persuade other taxing districts to consider similar pacts for the National Grid power plants in Island Park, Glenwood Landing and Northport, one observer said. Under previous proposals, LIPA offered to forgive the potentially hundreds of millions in back taxes the taxing districts could owe should LIPA win a favorable court judgment.

Get the Breaking News newsletter!

Get the latest breaking news as it happens.

Email address

Sign up

By clicking Sign up, you agree to our [privacy policy](#).

"For far too long this issue has put Long Island's ratepayers on the edge of a volcano," said Kyle Strober, executive director for the Association for a Better Long Island, a regional advocacy group that has long pushed for the tax challenges. He applauded Brookhaven Supervisor Ed Romaine for acknowledging "that the current situation is unsustainable and needs to

be resolved. One can only hope that other elected officials will follow his lead and end an assessment practice that has amounted to an unfair assessment practice."

By Mark Harrington

mark.harrington@newsday.com  @MHarringtonNews

Mark Harrington, an 18-year Newsday veteran, covers energy, wineries, Indian affairs and fisheries.

