

PART 3

EXHIBITS

LONG ISLAND POWER AUTHORITY
 LONG ISLAND CHOICE PROGRAM
 Development of Total Bill Credits - Phase III - Approved at 4.5 cents per kWh

| | <u>Avoided Energy</u> | <u>Generation Capacity</u> | <u>Ancillary Bill Credit</u> | <u>NTAC</u> | <u>Bill Credit at Customer Voltage Level</u> | | |
|--------------------------|-----------------------|----------------------------|------------------------------|-------------|--|----------------|--------------|
| | | | | | <u>Secondary</u> | <u>Primary</u> | <u>Trans</u> |
| | | | | | 6.27% | 3.22% | 1.55% |
| | | | | | 8.21% | 4.71% | 1.78% |
| Residential & Small Gen: | | | | | | | |
| Summer | 0.0411 | 0.0035 | 0.0030 | 0.0005 | 0.0512 | - | - |
| Winter | 0.0370 | 0.0000 | 0.0030 | 0.0005 | 0.0430 | - | - |
| Commercial non-TOU: | | | | | | | |
| Summer | 0.0406 | 0.0022 | 0.0019 | 0.0005 | 0.0480 | 0.0467 | - |
| Winter | 0.0367 | 0.0000 | 0.0019 | 0.0005 | 0.0415 | 0.0403 | - |
| Res TOU: | | | | | | | |
| Per 1) Summer Nights | 0.0371 | 0.0000 | 0.0028 | 0.0005 | 0.0430 | - | - |
| Per 2) Winter Nights | 0.0330 | 0.0000 | 0.0028 | 0.0005 | 0.0386 | - | - |
| Per 3) Summer Days | 0.0467 | 0.0090 | 0.0028 | 0.0005 | 0.0629 | - | - |
| Per 4) Winter Days | 0.0420 | 0.0000 | 0.0028 | 0.0005 | 0.0482 | - | - |
| Comm TOU (Rate 1): | | | | | | | |
| Off Peak (12-7) | 0.0265 | 0.0000 | 0.0016 | 0.0005 | 0.0304 | 0.0295 | - |
| Summer Peak (10-10) | 0.0454 | 0.0037 | 0.0016 | 0.0005 | 0.0545 | 0.0529 | - |
| Intermediate | 0.0394 | 0.0000 | 0.0016 | 0.0005 | 0.0441 | 0.0429 | - |
| Comm TOU (Rate 1): | | | | | | | |
| Off Peak (12-7) | 0.0265 | 0.0000 | 0.0016 | 0.0005 | 0.0000 | - | 0.0291 |
| Summer Peak (10-10) | 0.0454 | 0.0052 | 0.0016 | 0.0005 | 0.0000 | - | 0.0535 |
| Intermediate | 0.0394 | 0.0000 | 0.0016 | 0.0005 | 0.0000 | - | 0.0422 |
| Comm TOU (Rate 2): | | | | | | | |
| Off Peak (11-7) | 0.0277 | 0.0000 | 0.0016 | 0.0005 | 0.0317 | 0.0308 | 0.0303 |
| Summer Peak (12-8) | 0.0470 | 0.0061 | 0.0016 | 0.0005 | 0.0588 | 0.0571 | 0.0561 |
| Intermediate | 0.0401 | 0.0000 | 0.0016 | 0.0005 | 0.0449 | 0.0436 | 0.0429 |
| Traffic Lighting | 0.0349 | 0.0015 | 0.0011 | 0.0005 | 0.0405 | - | - |
| Outdoor Area & Street | 0.0321 | 0.0004 | 0.0003 | 0.0005 | 0.0353 | - | - |
| System Average | 0.0386 | 0.0011 | 0.0021 | 0.0005 | 0.0450 | 0.0437 | 0.0430 |

Exhibit 2

LONG ISLAND POWER AUTHORITY
LONG ISLAND CHOICE PROGRAM
Development of Generation Capacity Bill Credits - Phase III

| Avoidable Generation Capacity | Percent | \$/kW | Class Characteristics: | Load Factor | Peak or Summer Energy | Bill Credit (\$/kWh) |
|---|---------|--------|-----------------------------|--------------|-----------------------|----------------------|
| Capacity Credit (\$/kW) | | 24.60 | No Demand Meter: | | | |
| | | | Residential General | 36.0% | 37.1% | 0.0035 |
| | | | Commercial Small | <u>37.0%</u> | <u>35.1%</u> | <u>0.0036</u> |
| | | | | 36.0% | 37.0% | 0.0035 |
| Capacity Purchases % | | 16.6% | Residential MRP | 38.0% | 13.7% | 0.0090 |
| Generation Capacity Credit | | 4.08 | | | | |
| | | | With Demand Meter: | | | |
| System Load Factor | | 49.7% | Commercial Large | 57.0% | 38.0% | 0.0022 |
| Peak kWh Percentage | | 30.7% | Commercial Heat | <u>47.0%</u> | <u>33.6%</u> | <u>0.0030</u> |
| | | | | 57.0% | 37.5% | 0.0022 |
| Peak Capacity Cost (\$/kWh) | | 0.0031 | | | | |
| | | | Large Time of Use: (Rate 1) | | | |
| | | | Commercial MRP (S) | 66.0% | 19.3% | 0.0037 |
| | | | Commercial MRP (P) | <u>68.0%</u> | <u>17.5%</u> | <u>0.0039</u> |
| Derivation of Avoidable Capacity Percentage | | | | 66.0% | 19.1% | 0.0037 |
| Local ICAP Requirement | | 83.4% | | | | |
| Market ICAP | | 16.6% | Commercial MRP (T) | 65.0% | 13.9% | 0.0052 |
| | | | | | | |
| | | | Large Time of Use: (Rate 2) | | | |
| | | | Commercial MRP (S) | 66.0% | 11.6% | 0.0061 |
| | | | Traffic Lighting | 95.0% | 32.0% | 0.0015 |
| | | | Outdoor Area & Street | 402.0% | 28.0% | 0.0004 |
| | | | System Average | 49.7% | 30.7% | 0.0031 |

Exhibit 3

LONG ISLAND POWER AUTHORITY
 LONG ISLAND CHOICE PROGRAM
 Development of Ancillary Services Bill Credits - Phase III

| | | | | | | |
|----------------------------------|--------------|---------------------------|-------------|---------------------------|---------------|--------------|
| Average Ancillary Service Charge | \$ | 2.30 | per MWh | | | |
| Forecasted Sales | | 18,430,084 | MWh | | | |
| Forecasted Peak | | 4,534 | MW | | | |
| Peak Rate (\$/kW) | \$ | 9.35 | per peak kW | | | |
| | | | | Effective Credit | | |
| | | | | at Customer Voltage Level | | |
| Class Specific Ancillary Credit | Load Factor | Effective Credit (\$/kWh) | | Secondary | Primary | Transmission |
| | | | | 0.0821 | 0.0471 | 0.0178 |
| No Demand Meter: | | | | | | |
| Residential General | 36.0% | 0.0030 | | 0.0032 | 0.0000 | 0 |
| Commercial Small | <u>37.0%</u> | <u>0.0029</u> | | <u>0.0031</u> | <u>0.0000</u> | <u>0</u> |
| | 36.0% | 0.0030 | | 0.0032 | 0.0000 | 0 |
| Residential MRP | 38.0% | 0.0028 | | 0.0030 | 0.0000 | 0 |
| With Demand Meter: | | | | | | |
| Commercial Large | 57.0% | 0.0019 | | 0.0020 | 0.0020 | 0 |
| Commercial Heat | <u>47.0%</u> | <u>0.0023</u> | | <u>0.0025</u> | <u>0.0024</u> | <u>0</u> |
| | 57.0% | 0.0019 | | 0.0020 | 0.0020 | 0 |
| Large Time of Use: (Rate 1) | | | | | | |
| Commercial MRP (S) | 66.0% | 0.0016 | | 0.0017 | 0.0017 | 0 |
| Commercial MRP (P) | <u>68.0%</u> | <u>0.0016</u> | | <u>0.0017</u> | <u>0.0016</u> | <u>0</u> |
| | 66.0% | 0.0016 | | 0.0017 | 0.0017 | 0 |
| Commercial MRP (T) | 65.0% | 0.0016 | | 0 | 0 | 0.0017 |
| Large Time of Use: (Rate 2) | | | | | | |
| Commercial MRP (S) | 66.0% | 0.0016 | | 0.0017 | 0 | 0 |
| Traffic Lighting | 95.0% | 0.0011 | | 0.0012 | 0 | 0 |
| Outdoor Area & Street | 402.0% | 0.0003 | | 0.0003 | 0 | 0 |
| System Average | 49.7% | 0.0021 | | 0.0023 | 0.0022 | 0.0022 |

Long Island Power Authority

Statement of Bill Credit Adjustment for the Long Island Choice Program

For the month of _____, 2000

**Applicable to all licensed Energy Service Companies (ESCOs) and
Direct Retail Customers (DRCs) under Service Classification No. 14
As set forth in the Tariff for Electric Service**

| | |
|---|--------------|
| 1. Locational Based Marginal Price (LBMP) (\$/MWh) | 46.76 |
| <u>2. Tariff LBMP Credit (\$/MWh)</u> | <u>38.60</u> |
| 3. Net LBMP Adjustment (\$/MWh) (1) – (2) | 08.16 |
| 4. LIPA's Avoided Cost of Ancillary Services (\$/MWh) | 02.50 |
| 5. Ancillary Services Bill Credit (\$/MWh) | <u>02.10</u> |
| 6. Net Ancillary Adjustment (\$/MWh) (4)-(5) | 00.40 |
| 7. LIPA's Avoided Cost of ICAP (\$/MWh) | 01.20 |
| 8. ICAP Bill Credit (\$/MWh) | <u>01.10</u> |
| 9. Net ICAP Adjustment (7)-(8) | 00.10 |
| 10. LIPA's Avoided Cost of NTAC (\$/MWh) | 00.55 |
| 11. NTAC Bill Credit (\$/MWh) | <u>00.50</u> |
| 12. Net NTAC Adjustment (\$/MWh) (10)-(11) | 00.05 |
| 13. Total Adjustment(\$/MWh) (3)+(6)+(9)+(12) | 08.71 |
| <u>14. System Loss Factor</u> | 1.0606 |
| 15. Bill Credit Adjustment (\$/MWh) (13) x (14) | <u>09.24</u> |

Note: The values shown on this example are for illustrative purposes only.

Effective: February 1, 2002

LIPA Statement No. 6 - ICAP

Long Island Power Authority

Statement of Values for Losses and Local ICAP for the Long Island Choice Program

Applicable to all licensed Energy Service Companies (ESCOs) and Direct Retail Customers (DRCs) under Service Classification No. 14 as set forth in the Tariff for Electric Service

Losses

DRCs and ESCOs are responsible for delivering to LIPA sufficient energy and capacity to meet their customers' load and to compensate LIPA for electrical losses that occur as part of the delivery process. The loss factors will vary depending upon the voltage level of the customer delivery. The energy loss factors must be multiplied by the energy as measured at the customers' meter to yield the total energy to be delivered by the ESCO or DRC to the border of the LIPA system. The energy loss factors shall also be applied to ancillary services procured on behalf of customers. The demand loss factors will be applied to the peak demand measured at the customer meter or the load profile calculated at the customer meter. The New York Independent System Operator will assess losses at the transmission level.

| <u>Delivery Voltage Level</u> | <u>Energy</u> | <u>Demand</u> |
|--|---------------|---------------|
| Transmission (greater than 115kV) | 0 | 0 |
| Subtransmission (between 34.5 kV and 115 kV) | 1.5472% | 1.7754% |
| Primary (between 2.4 kV and 13.2 kV) | 3.2188% | 4.7093% |
| Secondary (less or equal to 480 kV) | 6.2671% | 8.2079% |

Installed Capacity Reserve Requirement (ICAP)

Each ESCO will be required to provide an Installed Capacity Reserve Requirement (ICAP) in accordance with the applicable NYISO tariff.

Local Installed Capacity Reserve Requirement (Local ICAP)

A portion of the ICAP requirement must be provided by resources that qualify as local capacity. The Local Installed Capacity Reserve Requirement (Local ICAP) is equal to 83.4% of the total ICAP requirement including losses and reserve margin requirements.

Effective: February 1, 2002