

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

Staff proposes to modify its Tariff for Electric Service to effectuate On-Bill Efficiency Loan Recovery with regard to the NYSERDA Loan Installment program in compliance with the Power NY Act of 2011.

Proposal:

On August 4, 2011, the Power NY Act of 2011 (the "Act") was enacted which amends the Public Service Law to address the establishment of the Green Jobs-Green New York Program administered by the New York State Energy Research and Development Authority ("NYSERDA") or its designated agent. The Act expanded the Green Jobs – Green New York program administered by NYSERDA to include a loan financing program that funds energy efficiency projects for qualifying residential and small commercial customers. The Act requires electric utilities in New York, including LIPA, to provide billing and collection services to NYSERDA for the repayment of these loans. The NYSERDA program is currently providing low cost loans for energy efficiency targeted at customers that might not have access to independent financing, making it easier for customers to pay for these energy efficiency improvements.

The NYSERDA Loan Installment program places the responsibility on NYSERDA to create and qualify the loans that will be made under the program, to determine the appropriate monthly charge and number of payments to be made, and to ultimately bear the financial risk and responsibility for nonpayment of the loan balances.

The responsibilities of LIPA (and all the electric utilities in the State), are to:

- provide NYSERDA with account usage and payment information prior to establishing the loan
- place the NYSERDA Loan Installment charges on the monthly bill for each participating customer
- accept payments from customers for the loan installment charges and remit those payments to NYSERDA; and
- undertake collection activities, up to and including termination of service, if the customer does not pay the NYSERDA loan installment charges.

Participation is limited by the legislation to 5,600 customers, which is 0.5% of LIPA's customer base as of December 31, 2011 and staff requests an effective date of June 1st for the program, which is the approximate date specified in the legislation for the regulated utilities. LIPA is expected to implement billing and collection services on the same date as the rest of the State.

LIPA does not bear the financial risk associated with these loans. LIPA's financial security is ensured through the following elements incorporated into the legislation and the proposed tariff leaves:

- The Act gives priority to the allocation of payments from customers first to the charges by LIPA and the other utilities. Only after LIPA's own charges (current and past) have been satisfied will customer remittances be applied to the NYSERDA Loan Installment charges. Any payments that exceed all of the charges on the account will be held on the customer's account to cover the charges on the next LIPA bill. LIPA will not accept prepayments of NYSERDA Loans.
- LIPA remits only the actual payments received from participating customers and credited against the NYSERDA Loan Installment, and has no financial responsibility for unpaid amounts. If a customer closes an account or LIPA terminates service, LIPA will pursue its normal collection activities for 45 days, after which any unpaid balances on the NYSERDA Loan Installation charges are returned to NYSERDA.

The Act imposes on LIPA additional responsibilities that did not exist previously:

- Customer Service needs to handle non-payment of NYSERDA Loan Installments which may trigger collection activities including automated collection activities, termination and disconnection of service if the customer fails to pay the arrears in a timely manner. Reconnection of service will also depend on whether the customer satisfies its arrears to NYSERDA as well as LIPA.
- Complaint procedures need to be adjusted because complaints about NYSERDA charges on the LIPA bill or the benefits the customer is deriving from the efficiency measures funded by the loan are the responsibility of NYSERDA, not LIPA. Separating these responsibilities in the customer's mind will be a challenge for LIPA.
- Reporting requirements are imposed on LIPA as part of this program. LIPA proposes to track and report enrollment statistics and other performance measures to the Public Service Commission, as required by the legislation for the regulated utilities. Sharing and comparing LIPA's experience with the rest of the State will enable all parties to better evaluate the performance of the program and its impacts on participating and non-participating customers. Also, internal tracking of charges billed, payments received and remittances made to NYSERDA must be performed and monitored.

Financial Impacts:

There are anticipated to be few direct financial impacts associated with the payment of LIPA's charges due to NYSERDA Loan Installment program, because LIPA receives priority of payment and has no responsibility for the customer's unpaid NYSERDA Loan Installment charges. The financial impacts relate to the costs of implementing the

program and the compensation received from NYSERDA to offset those costs. Further, the NYSERDA loan installment charges are treated under the Act as utility charges, and LIPA will have the same responsibilities in connection with the billing and collection of NYSERDA loan installment charges as it does in connection with its own charges.

The cost of operating the program is contained within the existing operating budgets. Call center, billing and collection activities fall within the scope of general operations and no direct incremental cost is anticipated. The cost of coordinating LIPA's efficiency programs with the NYSERDA programs likewise is estimated to fall within the budgets already approved for LIPA's efficiency programs. No staffing increases are being requested to manage or administer this program, given the limited scope of participation currently authorized by the legislation.

Because the Act requires the utilities to implement billing and collection services, the utilities are responsible to make the necessary billing system changes to accommodate the NYSERDA Loan Installment charges. NYSERDA will provide funding to the utilities to partially compensate the utilities for their costs. The costs are anticipated to exceed the NYSERDA funding. The largest cost associated with the program is for improvements to the billing system to incorporate and track the NYSERDA Loan Installment charges.

- NYSERDA will provide \$500,000 to be split among six utilities in the State to help defray the cost of implementing the program. LIPA's share is expected to be approximately \$90,000 (18% of the total).
- In addition, NYSERDA is required to pay \$100 plus 1% of the loan amount for each loan sent to the utility. The maximum number of loans is 5,600 and staff estimates that the average loan will be for \$10,000. The maximum loan principal is \$25,000 for a residential customer.
- LIPA is currently negotiating the cost of the billing system improvements with National Grid.

Under the Act, the net costs plus the time value of money become the responsibility of the general ratepayer.

Proposed Tariff Changes:

1. Add Section XI to Define the NYSERDA Loan Installment Program:

Affected Tariff Leaf: Leaves 322, 323, 324 and 325.

Reason for Tariff Change

To implement on-bill recovery with regard to the NYSERDA Loan Installment program in compliance with the Power NY Act of 2011

2. Update the existing tariff leaves to reference the NYSERDA Loan Installment Program

Affected Tariff Leaf: 6A, 19, 42, 42A, 47, 49, 100, 103, 111, 112, 113, 115, 119, 135, 139, 144, 157, and 159.

Reason for Tariff Change

To implement on-bill recovery with regard to the NYSERDA Loan Installment program in compliance with the Power NY Act of 2011.

Summary of Proposed Changes:

In summary, the proposed changes to LIPA's Tariff for Electric Service will implement on-bill recovery with regard to the NYSERDA Loan Installment program in compliance with Power NY Act of 2011.

The proposed revised Tariff Leaf Nos. 6A, 19, 42, 42A, 47, 49, 100, 103, 111, 112, 113, 115, 119, 135, 139, 144, 157, 159, 322, 323, 324 and 325 are attached.

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XI. NYSERDA LOAN INSTALLMENT PROGRAM 322

I. General Information (continued):**B. Abbreviations and Definitions (continued):**

New York State Energy Research and Development Authority (NYSERDA): Is a public benefit corporation created under Article 8, Title 9 of the Public Authorities Law.

NYSERDA Loan Installment Charge: a recurring charge billed to the Customer by the Authority on behalf of NYSERDA under the Power NY Act of 2011. See Section XI for further information.

Noncoincidental Demand: (See Demand)

Non-Core Customer: (See *Customer - Non-Core Customer*)

Non-Core Service: Service to Non-Core Customers.

Non-Residential Applicant: (See *Customer - Non-Residential Customer*)

Non-Residing Applicant: (See *Customer - Non-Residing Customer*)

O

Ohm: The unit of measurement of electrical resistance.

P

Payment Date: The Authority considers a payment to be made on the date the Authority or one of its authorized agents receives the payment.

Payments In Lieu of Taxes (PILOTs): Payments that the Authority makes to other governmental authorities in replacement of the taxes which were previously collected on utility revenues, assets or operations.

Performance Payment: An advance payment made by a Non-Residing Applicant for service construction for multiple occupancy buildings in an underground-designated area. The payment guarantees the Applicant's performance for five (5) years.

Peak Power or Peak Demand: See *Power*.

Power (Electric): Amount of electrical energy produced or consumed, measured over a specific time period in kilowatts (KW).

1. Apparent Power includes both Real and Reactive Power and is the product of Volts and Amperes in a circuit. Apparent power is expressed in kilovoltamperes (kVA).

2. Instantaneous Power is power at an instant in time.

Primary Residence: A service address at which a Customer-generator resides the majority of the time during the year, and which has been given by the Customer-generator and exists in the voter registration catalogues or used by the Customer-generator to determine his/her school district code number as he/she identifies the same on his/her New York State Income Tax Returns.

II. How to Obtain Service (continued):**B. Nonresidential Application Procedure (continued):****Required Written Application Information (continued):**

- e) Identification of who controls access to the meter(s), if not the Applicant.
- f) Upon request, additional information and/or documents to verify the application information.
- g) Signature of the Applicant or an authorized Agent of the Applicant. The Authority may request proof of the authorization of the Agent.
- h) The Corporate Seal stamped on the application of a corporation.

4. Incomplete Applications

- a) If an Applicant submits an incomplete application, the Authority will notify the Applicant, in writing, within three (3) business days of receiving the application.
- b) The notice will detail the information and/or documents that need to be submitted to complete the application.
- c) This notice is not a denial of the application.

5. Additional Requirements For Application Approval

- a) The intended use of the electric service shall comply with the Authority's Tariff and with any state, city, or local laws or ordinances that may apply.
- b) Payment in full of any unpaid balances owed to the Authority by the Applicant, not including amounts that are part of an unresolved bill dispute or part of an existing Deferred Payment Agreement in good standing.

The amount due may include charges for:

- (1) Service provided and billed to prior account(s) in the Applicant's name or for which the Applicant is legally responsible.
- (2) Other Tariff fees, charges, or penalties.
- (3) Reasonable charges for material and installation costs relating to temporary or permanent line extensions and service lines, as required by the Authority's Tariff, if these costs are itemized and given to the Applicant in writing.
- (4) Special services billable under the Authority's Tariff, if these costs are itemized and given to the Applicant in writing.
- (5) Security deposit, if requested by the Authority, and if the deposit complies with this Tariff.

(6) Outstanding NYSEDA Loan Installment Charges billed to prior account(s) in the Applicant's name or for which the Applicant is legally responsible.

II. How to Obtain Service (continued):**D. General Obligations of the Authority and Applicants (continued):****Notification Obligations of the Authority (continued):**d) Readability and Format of Notices to Residential and Nonresidential Customers

The Authority shall write all notices, brochures, forms, and bills required under this Tariff, and any other written informational material for Customers, in plain language. The Authority shall also print this information in a format and type size that is clear and easy to read.

e) Annual Notification of Rights of Nonresidential Customers

At the time of application, and annually after service begins, the Authority shall provide:

- (1) A brochure containing a detailed summary of Applicants' and Customers' rights and obligations under this Tariff.
- (2) A notice describing the commonly used non-residential service classifications and their rates.
- (3) An offer of guidelines for qualifying for the Authority's different service classifications.
- (4) A notice that the Customer can review the Authority's Tariff at any business office.

f) Annual Notification of NYSERDA Loan Installment Charges to Residential and Nonresidential Customers

The Authority shall provide annually in the Customer's bill the following information received from NYSERDA:

- (1) the amount and duration of remaining installments on the NYSERDA Loan.
- (2) the NYSERDA contact information and complaint handling procedures on the NYSERDA Loan.

3. Periodic Notifications to Nonresidential Customers

- (1) Annual Deposit Report showing:
 - (a) Interest earned during the current year, and
 - (b) The date the deposit was obtained or how long it has been held.
- (2) Annual Notice to Non-Demand Customers explaining:
 - (a) That an increase in their usage might require the installation of demand meters for billing purposes.
 - (b) That Customers might have to make changes to their electric installations.
- (3) Annual Service Classification Notice to Demand-Billed Customers explaining how changes in their demands might change their Service Classifications.

II. How to Obtain Service (continued):**D. General Obligations of the Authority and Applicants (continued):**5. Applicant Payment Obligationsa) Service

The Applicant agrees to pay the Authority for the electricity used, at the same rate the Authority charges similar Customers.

- b) Nonresidential Customers will pay the "Service Initiation Charge" as indicated under "Charges for Miscellaneous Services" on Leaf No. 106A when service is initiated.

c) Residential and Nonresidential Customers shall pay any NYSEERDA Loan Installment Charges billed after the date when service is initiated.

e)d) Right-of-Way Agreement(s)

- (1) The Applicant shall agree to obtain and to pay for any necessary private Right-of-Way agreement(s), or

- (2) The Applicant shall, in writing:

(a) State that the Applicant is unable to obtain the agreement(s), and

(b) Request that the Authority do so, and

(c) Agree to pay the Authority the cost, either in advance or according to a specific schedule, to obtain the necessary private Right-of-Way agreement(s).

e)e) Materials and Installation

The Applicant shall agree, in writing, to pay the reasonably chargeable costs for that part of the distribution line, including service line and accessory equipment, that is above the allowances provided by the Authority without direct charge.

- (1) The cost to the Applicant equals the length of the facilities that exceeds the allowance times the Authority's average cost for that type of installation. The cost to the Applicant is determined in this way for:

(a) Underground-Designated Areas, and

(b) Underground Construction in Existing Overhead Areas, and

(c) All Nonresidential Undergrounding, and

(d) Overhead Construction.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill**1. Service and Rate Classifications

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

2. Adjustments to Rates

The Authority may adjust rates or bills periodically for:

- a) Changes in the cost of fuel and purchased power, payments in lieu of revenue taxes, Visual Benefits Assessment, New York State Assessment or to recover other costs as approved by the Authority, and
- b) Any credits approved by the Authority, including the Ratepayer Class Action refund (RCAR) factor and the Shoreham Property Tax Settlement Rider, and
- c) Discounts to promote economic development, and
- d) Charges to LIPA Green Choice Customers for environmental attributes.
- e) Any credits resulting from the Maximum Charge provision of Service Classification No. 16 Advanced Metering Initiative (AMI) Pilot Service.

f) NYSERDA Loan Installment Charges.3. Applying Rate Changes to Customer's Bills

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

4. Backbillinga) Backbilling Conditions

- (1) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- (2) For Nonresidential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- (3) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill (continued):****Backbilling - Adjusting Previous Bills (continued):**

- (3) For Residential Customers, the Authority will include an explanation with each adjusted bill in 1 and 2 above, and allow the Customer to pay the bill in at least three (3) regular monthly installments if the adjustment increase is one hundred dollars (\$100) or more.
- (4) The Authority may increase the amount of a bill it has already sent to a Customer for service supplied up to but no more than six (6) years before it sends the rebill, if:
 - (a) The incorrect billing was caused by culpable conduct of the Customer, and
 - (b) Was not caused by the Authority's neglect.
- (5) The Authority may increase the amount of a bill it has already sent to a customer to include the NYSERDA Loan Installment Charge in any rebill.

d) Revising Backbills for Nonresidential Customers

- (1) The Authority may upwardly revise a backbill if:
 - (a) The first backbill stated the Authority's right to do so, and
 - (b) The Authority issues the revised backbill within twelve (12) months after the Authority becomes aware of the cause of the underbilling, and
 - (c) The Customer knew or could be expected to know that the original billing or first backbill was incorrect, or
 - (d) New information shows that the first backbill was incorrect.
- (2) The Authority will issue a downwardly revised backbill within two (2) months of becoming aware that the first backbill was excessive.
- (3) The Authority may increase the amount of a backbill to include the NYSERDA Loan Installment Charges.

e) Catch-up Bill for Nonresidential Customers

All catch-up backbills will clearly show how the backbill was calculated, either as if:

- (a) The service was used during the current cycle, or
- (b) Spread over all the cycles since the last actual reading.

IV. Billing Process and Payment of Bills (continued):**D. Payment of Bills (continued):****Balanced Billing (continued):**

~~(8)~~(7) If the Balanced Billing Plan is canceled:

- (a) The amount the Customer owes the Authority is due at once.
- (b) The amount the Authority owes the Customer from overpayment is payable at once.

~~(9)~~(8) Customer Request For Removal From the Balanced Billing Plan

If a Customer requests a transfer to regular billing, the Authority will issue a final Balanced Billing Plan bill no later than the first regular billing cycle bill issued more than ten (10) business days after the request.

3. Overpayment by Customers**a) Definition of Overpayment**

An overpayment is the amount a Customer paid over the correct amount for actual service rendered to the Customer, if the Authority made a billing error and the Customer paid the bill.

b) Credit or Refund of Overpayments

- (1) If the Customer has overpaid due to a billing error, the Authority may credit the Customer's account up to the amount of the Balanced Billing payment or estimated amount of the next cycle bill, and
- (2) The Authority will issue a refund check, within thirty (30) days of the next regular bill cycle, for any overpayment above that amount.
- (3) In any case, the Authority's obligation to refund overpayments and interest shall be limited to a six (6) year period measured from the date of filing of the Customer's complaint with the Authority.

c) Interest on Overpayments by Customers

- (1) The Authority will pay the Customer interest on any overpayment made due to a billing error, except if the Authority refunds the overpayment within thirty (30) days of receiving it.
- (2) The interest rate will be equal to the higher of the unadjusted rate paid on Customer deposits or the rate of interest used to calculate any applicable late payment charge.

IV. Billing Process and Payment of Bills (continued):**D. Payment of Bills (continued):****Overpayment by Customers - Interest on Overpayments (continued):**

(3) The Authority will pay the interest on the overpayment amount, adjusted for any change in the deposit rate and compounded monthly, from the date the Customer made the overpayment until the date the overpayment is refunded.

(4) LIPA will not pay interest on NYSERDA Loan Installment overpayments.

4. Charges For Late Payments

- a) The Authority will apply a late payment charge to the accounts of all customers, as described in section IV.C, above, and
- b) Late payment charges will apply to all amounts billed, including:
 - (1) Arrears
 - (2) Balanced Billing amounts
 - (3) A balance due from a Deferred Payment Agreement with a Nonresidential Customer
 - (4) Unpaid late payment charges from previous months
 - (5) Backbilling for service delivered through tampered equipment, if the Authority can show that:
 - (a) The tampering began on or after the date the Customer started receiving service, or
 - (b) The Customer actually knew or could be expected to know that the original bill was incorrect.
- c) With regard to State Agencies, late payment charges are governed by the provisions of Article XI-A of the State Finance Law.

5. Uncollectible Payment

If the Authority receives a check or other negotiable financial instrument in payment for any bill, charge, NYSERDA Loan Installment Charge or deposit, and the instrument is not collectible, for any reason, the Authority will

- a) Charge the uncollectible payment amount back to the Customer's account, and
- b) Treat the Customer's account as though no payment was ever received by the Authority, and
- c) Charge the Customer an uncollectible payment handling charge which includes any amount the Authority paid to its bank for handling the instrument. The Authority's "Uncollectible Payment Handling Charge" is stated in Section IV.C.4, Leaf No. 106.

IV. Billing Process and Payment of Bills (continued):**D. Payment of Bills (continued):**6. Nonpayment of Bills

~~a)~~ The Authority will, according to the provisions of this Tariff, discontinue service and/or take any other action permitted by law when dealing with any Customer who does not pay the Authority, on time and in full, all amounts owed to the Authority.

7. Payment Responsibilities for Customer-Terminated Service

The Customer shall be responsible for the payment for all electricity used at the account premises at the established rate plus any NYSERDA Loan Installment Charges billed:

- a) During the time required to terminate service as given in the Service Classification, and
- b) After the Authority has received the Customer's written request to discontinue service.
- c) When the term of service is specified in a Service Classification, a Customer may terminate service at any time:
 - (1) If the Customer pays the minimum charges for the rest of the term of service, and
 - (2) If another Customer occupies the premises before the end of the term of service, the first Customer will receive refunds equal to the minimum charges paid by the next Customer, but
 - (3) The refunds to the first Customer will not be greater than the amount the first Customer paid in (1) above.

V. Termination of Service (continued):**A. Reasons for Termination of Service (continued):****Non-Emergency Situations (continued):**

- b) Has improper equipment, wiring, or facilities:
 - (1) That do not comply with this Tariff, any requirements of a governmental agency that has jurisdiction, the National Electric Code, or
 - (2) That the Authority considers dangerous to life or property.
 - (3) The Authority may terminate service within five (5) days of notifying the Customer either in writing or orally.
- c) Operates a generator in parallel with the Authority's system without an Interconnection Agreement (IA) with the Authority, and
 - (1) Does not sign a IA with the Authority within ninety (90) days of a written notice from the Authority, accompanied by a draft IA, unless
 - (2) The Customer has filed a complaint in accordance with the provisions of this Tariff relating to the IA within the 90-day period. In this case, the Customer will not be disconnected until the complaint is resolved, unless the parallel generation creates a dangerous condition.
- d) Does not pay:
 - (1) The bill for electric service, or
 - (2) Amounts owed under a Deferred Payment Agreement, or
 - (3) A lawfully required deposit, or
 - (4) Equipment and installation charges for the start of service.
 - (5) NYSERDA Loan Installment Charges billed but not paid.
 - ~~(5)-(6)~~ For Residential Customers, the Authority may terminate service fifteen (15) days after notifying the Customer by mail or by delivery in person.

V. Termination of Service (continued):**B. Obligations of the Authority Before Terminating Service to a Customer (continued):**4. Notification to Nonresidential Customers

a) The Authority will not issue a Final Termination Notice until at least twenty (20) days after:

- (1) Payment was due (See Exceptions below), or
- (2) The date given in a written notice to correct a Tariff violation, or
- (3) The date given in a final No-Access Notice.

b) Exceptions: The Authority may send a Final Termination Notice for nonpayment on or after the date payment was due when:

- (1) The Customer has not paid a bill for unmetered service supplied through tampered equipment, or
- (2) The Customer has not paid the installment amount due on a Deferred Payment Agreement for service and/or the NYSERDA Loan Installment, or
- (3) The Customer fails to make a payment and has signed a waiver for the twenty-day notice period instead of paying a deposit

5. Termination Periods for Nonresidential Customers

The Authority will not terminate nonresidential service more than:

- a) Sixty (60) days after issuing the Final Termination Notice unless, during that time, it has issued a Termination Reminder Notice that states the current amount owed, if that is the reason for termination, or
- b) Ninety (90) days after issuing the Final Termination Notice unless, during that time, it has issued a Termination Reminder Notice that contains all the information required in B.4 above.

V. Termination of Service (continued):**C. Termination of Residential Service to Two-Family Dwellings Serviced Through a Single Meter (continued):****How Occupants of Two-Family Dwelling Can Avoid Termination of Service (continued):**

- (3) If an occupant pays the current charges, the Authority will continue to send all bills to the Customer of record and will send copies of these bills to any occupant upon request.
- (4) Current charges for purposes of this subsection do not include NYSERDA Loan Installment Charges.

12. Notification to Occupants That Overdue Bills Have Been Paid

If a Final Termination Notice has been sent to a two-family dwelling serviced through a single meter, and the outstanding bills have been paid, the Authority will notify the occupants by:

- a) Mail or other delivery method, or
- b) Posting a notice where it can be seen easily in or at the dwelling.

13. Termination During Cold Weather Periods

If the Authority intends to terminate heat-related service to two-family dwellings serviced by a single meter during the Cold Weather Period, the Authority will:

- a) Send the Final Termination Notice at least thirty (30) days before the termination date, and
- b) Outside of cities of more than one million (1,000,000) people:
 - (1) Provide each occupant with a written notice at least ten (10) days before the termination date.
 - (a) The notice will advise the occupants with serious illnesses or medical conditions that could be seriously affected by the loss of heat to contact the Authority immediately, and
 - (b) The notice will contain the name and telephone number of the contact person at the Authority, and
 - (2) Conduct an on-site interview with the occupant, and
 - (a) Refer cases of likely serious impairment to health or safety to the local department of social services, and
 - (b) Ask the agency to investigate the cases, and

V. Termination of Service (continued):**D. Termination of Residential Service to Entire Multiple Dwellings (continued):****10. How Occupants of Multiple Dwellings Can Avoid Termination of Service**

- a) The occupants of the multiple dwelling can pay for service according to agreements approved by the Authority.
- b) The occupants will pay no more than the current charges owed by the owner, person, firm, or corporation responsible for making payments.
 - (1) A current charge is the amount properly billed for service used during the most recent billing period covered by the first bill sent on or after the Termination Notice date.
 - (2) A current charge does not include arrears.
 - (3) A current charge for purposes of this subsection does not include the NYSERDA Loan Installment Charge.
- c) If the occupants and the Authority cannot reach an agreement to avoid termination of service, the occupants may contact an authorized agent of the Authority for assistance and advice. The agent will:
 - (1) Attempt to work out an agreement, and
 - (2) Arrange a meeting with the occupant representatives and the owner, person, firm, or corporation responsible for making payment, if the Authority's agent receives a written petition signed by at least 25 percent of the occupants of the multiple dwelling.
- d) The agent may suspend termination of service to an entire multiple dwelling if the occupants are making sincere efforts to arrange for payment of the current bills.

11. Notification to Occupants That Overdue Bills Have Been Paid

The Authority will notify each occupant of the multiple dwelling that the overdue bills have been paid, and the scheduled termination of service is canceled.

12. Termination During the Cold Weather Period

If the Authority intends to terminate heat-related service to multiple dwellings during the Cold Weather Period, the Authority will follow the provisions in B.15.

V. Termination of Service (continued):**G. Deferred Payment Agreements:**1. Definition

A Deferred Payment Agreement is a written agreement for the payment of outstanding charges over a specific period of time, signed by both the Authority and the Customer or Applicant including any outstanding NYSERDA Loan Installment Charges.

2. Who is Eligible

- a) A Customer whose estimated bill(s) underestimated the actual amount owed by more than 50 percent, provided the underestimated amount is more than one hundred dollars (\$100). The Authority will notify the Customer, in writing, of the right to pay the difference between the estimated charges and the actual charges in at least three (3) regular monthly installments. The Authority does not have to offer a Deferred Payment Agreement to a Nonresidential Customer if the Customer knew, or reasonably should have known, that the original billing was incorrect.
- b) A Residential Customer who is backbilled for service delivered before the current billing period, but not billed for.
 - (1) The Authority will explain the reasons for the late billing and notify the Customer, in writing, that payments may be made under an installment payment plan.
 - (2) The down payment for the installment plan will be the lesser amount of one half (1/2) of the amount owed or three (3) months' average billing for that Customer.
- c) A Residential Customer who will receive a billing adjustment increase of one hundred (\$100) or more.
 - (1) Reasons for the increase:
 - (a) The Authority is adjusting the Customer's Balanced Billing Plan to reflect actual usage, or
 - (b) The original incorrect billing was not due to the Authority's neglect, or
 - (c) There was a resolution of a complaint brought by the Customer about charges for service during the twelve-month period before the complaint.
 - (2) The Authority will notify the Customer, in writing, of the right to pay the adjusted bill in at least three (3) regular monthly installments.
 - (3) If the Authority is increasing previous bills for service delivered more than twelve (12) months before, because of the resolution of a complaint, the adjustments to increase these bills must be made within four (4) months of the resolution of the complaint.

V. Termination of Service (continued):**H. Reconnection of Service (continued):****Reconnection Charges (continued):**

- (2) Customers who are not currently identified by the Authority as low-income are required to give the Authority proof that they have been certified as income eligible, within the last twelve (12) months, to receive one (1) or more of the benefits listed above.

e) A Reconnection Charge will apply to Customers who are terminated for non payment of the NYSEERDA Loan Installment Charge.

4. Obligations of the Authority for Timely Reconnection of Service

- a) The Authority will reconnect service, unless prevented by circumstances beyond its control or the Customer requests otherwise, not more than twenty-four (24) hours after any of the conditions in 1. above are met. Circumstances beyond the control of the Authority include but are not necessarily limited to bad weather, serious physical obstacles, health or safety concerns, new construction requirements, labor disputes, inability to gain access, and legal restrictions. The Authority will reconnect service not more than twenty-four (24) hours after the circumstances beyond its control, that prevented reconnection, no longer exist.
- b) For Residential Customers, if the Authority is required to reconnect service and fails or neglects to do so on time for reasons other than circumstances beyond its control, the Authority will:
- (1) Credit the Residential Customer's account fifty dollars (\$50) for each day or part of a day that service is not supplied after the date it should have been reconnected in cases involving:
- (a) Certified Medical emergencies (See V.B.13.), or
- (b) The elderly, blind, or disabled (See V.B.14.), or
- (c) Heat-related service during Cold Weather Periods (See V.B.15.), or
- (d) The Authority has been notified that the health or safety of a Customer is likely to be seriously threatened if service is not reconnected.

VI. Complaint Procedures:**A. How a Customer Files a Complaint:**

1. If Customer has a complaint about bills, deposit requests, negotiations for Deferred Payment Agreements, or any other service matter other than the NYSERDA Loan Installment Charge, the Customer shall first make a complaint to the Authority's Manager. The Manager shall promptly investigate the complaint in a fair manner and inform the Customer of its decision orally or in writing. If the Customer requests the decision to be in writing, the Manager's decision shall be in writing.
2. If at the complaint about bills, deposit requests, negotiations for Deferred Payment Agreements, or any other service matter other than the NYSERDA Loan Installment Charge is not resolved by the Manager to the Customer's satisfaction, the Customer may file a complaint with the Authority. If the Manager resolves such a complaint in whole or in part in its favor, the Manager shall inform the Customer of the availability of the Authority's complaint handling procedures, including the Authority's address and phone number.
3. Customers shall direct any complaints concerning the operation of the NYSERDA Loan Installment program, including complaints concerning the amount of the NYSERDA Loan Installment, any energy efficiency work performed by the contractor, the amount of energy savings realized as a result of the improvements, or matters associated with the lender and/or the loan to NYSERDA or its designated agent.
4. Upon receipt of a complaint, NYSERDA shall notify the Authority of any amounts initially considered in dispute.
5. Consistent with §42.3 of the Public Service Law, the rights and responsibilities of residential customers participating in green jobs-green New York on-bill recovery pursuant to §66-m of the Public Service Law shall be substantially comparable to those of Customers not participating in on-bill recovery, and charges for on-bill recovery shall be treated as charges for utility service, including:
 - a) Customer shall be required to pay any amount that is not in dispute in order to continue service during the time a complaint or an appeal of a complaint is pending with NYSERDA.
 - b) Customer shall continue to receive bills from the Authority for the full NYSERDA Loan Installment Charge until the complaint is finally resolved between NYSERDA and the Customer.
 - c) Upon resolution of the complaint, NYSERDA shall determine whether the customer is entitled to any credits or other relief from the NYSERDA Loan Installments previously billed, and/or any adjustments to future NYSERDA Loan Installment Charges. Depending on such determination, the customer may be required to pay the amount in dispute in full or in part or such amount may be determined to be not due or owing. Such requirement shall not take effect until fifteen (15) days after determination is rendered.

XI. NYSERDA Loan Installment Program

A. General Provisions

1. Program Description

On August 4, 2011, the Power NY Act of 2011 was enacted which amends the Public Service Law to establish the Green Jobs-Green New York Program administered by New York State Energy Research and Development Authority ("NYSERDA") or its designated agent. This program provides for an on-bill recovery mechanism for certain qualified residential and non-residential customers to pay back loans for energy efficiency improvements approved and obtained through NYSERDA ("NYSERDA Loan Installment Program"). As set forth in this law, the Authority will bill and collect NYSERDA Loan Installment Charges on the Authority's bills to Customers when notified by NYSERDA that these NYSERDA Loan Installment Charges apply to the Customer's account. The Authority will include the monthly NYSERDA Loan Installment Charge until the NYSERDA Loan Installment obligation is satisfied or the account is closed.

2. Obligations of the Authority

In order to comply with the requirements set forth in the Power NY Act of 2011, the Authority will provide NYSERDA, or its agents, certain customer information and take other actions for purposes of administering the NYSERDA Loan Installment Program, subject to the following limitations:

- a. The Authority will implement the NYSERDA Loan Installment Program by June 1, 2012.
- b. The Authority will not be responsible to any party for any NYSERDA Loan Installment Charges billed but not collected and such charges are not obligations of the Authority.
- c. The number of Customers that may participate in the NYSERDA Loan Installment Program under this section is limited to 5,600 accounts, which is one-half of one percent of the Authority's total Customer population, as of December 31, 2011, on a first-come, first-served basis based on the date on which NYSERDA notifies LIPA of enrollment.
- a-d. The responsibility of the Authority is limited to providing billing and collections services for NYSERDA. Such billing and collection services shall be available regardless of whether the electricity delivered by the Authority is the customer's primary energy source.
- e. Unless otherwise precluded by law, participation in the NYSERDA Loan Installment program shall not affect a customer's eligibility for any rebate or incentive offered by the Authority.
- f. At least annually, the Authority will provide customers participating in the NYSERDA Loan Installment Program the following information, incorporating the most recent information that has been provided by NYSERDA prior to the preparation of the notice:
 - (1) The amount and duration of remaining installments under the NYSERDA Loan Installment Program.
 - (2) NYSERDA's contact information and procedures for resolving customer complaints regarding the NYSERDA Loan Installment Program.

XI. NYSERDA Loan Installment Program (continued):**A. General Provisions (continued):****3. Obligations of NYSERDA**

- a. Agreements to participate in the NYSERDA Loan Installment Program may only be executed with Customers who have primary account meter responsibility and meet eligibility standards established by NYSERDA. In addition, for residential properties, the customer must also hold primary ownership of the premises.
- b. All Customer information released to NYSERDA by the Authority will be considered confidential. Customers making application to NYSERDA under the NYSERDA Loan Installment Program must provide consent for NYSERDA's use of the Customer's account information.
- c. For premises with an outstanding NYSERDA Installment Loan, the Authority will release to NYSERDA each successor Customer's information pursuant to the requirements of the Power NY Act of 2011. All Customer information provided about successor customers will be treated as confidential to the extent permitted by law.
- d. NYSERDA will advise the Authority of the NYSERDA Loan Installment Charge and loan term in months to be billed for each Customer.
- e. The Authority will commence billing the NYSERDA Loan Installment Charge on the Customer's next cycle bill for the Authority service after notification by NYSERDA, if practical, but not later than the second billing cycle after receipt of the notification.
- f. Only one NYSERDA Loan Installment obligation can exist on a Customer's account. Should the Customer enter into an additional NYSERDA Loan Installment agreement, NYSERDA will replace the current NYSERDA Loan Installment Charge on the account with a new NYSERDA Loan Installment Charge and notify the Authority of the new NYSERDA Loan Installment Charge and corresponding NYSERDA Loan Installment term in months.

4. Obligations of the Customer

- a. The rights and responsibilities of Residential Customers participating in the NYSERDA Loan Installment program are governed by the provisions of Article 2 of the Public Service Law.
- b. Occupants of multiple dwellings and two-family dwellings that assume responsibility for making payments to the Authority in accordance with Public Service Law §§ 33 and 34 and 16 NYCRR 11.7 and 11.8, shall not be required to assume the NYSERDA Loan Installment charges and such arrears and/or prospective amounts shall remain the responsibility of the incurring Customer.
- c. Customers must direct any questions or billing disputes regarding the NYSERDA Loan Installment Program directly to NYSERDA or its designated agent. -The Authority and the Customer will rely upon NYSERDA's administration of its complaint and appeal process and its determination in placing, removing or modifying NYSERDA Loan Installment Charges placed on the participating Customer's bill, unless otherwise directed by a lawful authority with jurisdiction.

XI. NYSERDA Loan Installment Program (continued):**B. Operation of the Program**

1. NYSERDA Loan Installment Charges will be paid to the Authority with the Customer's regular cycle service bill.
 - a. Bills are due and payable when rendered.
 - b. If less than the total monthly bill amount inclusive of the NYSERDA Loan Installment Charge is remitted by the Customer, the partial payment will first be applied to any charges due to the Authority and any remaining amount thereafter will be applied to the NYSERDA Loan Installment Charge.
 - c. If more than the total monthly bill amount inclusive of the NYSERDA Loan Installment Charge is remitted by the Customer, the Authority will apply the excess payment first to subsequently billed Authority charges and then to NYSERDA Loan Installment Charges as they are billed.
 - i) For a Customer participating in the Balanced Billing plan, the charges due to the Authority shall reflect the amounts billed under the Balanced Billing program
 - ii) The Authority will not apply excess payments as a prepayment of NYSERDA Loan Installment Charges. Customers wishing to make NYSERDA Loan Installment prepayments or satisfy the balance of the loan amount outstanding must arrange with NYSERDA or its designated billing agent for any such payments.
 - iii) The Authority will not pay any interest on any overpayments of NYSERDA Loan Installment Charges.
2. The provisions of this Tariff apply to NYSERDA Loan Installment Charges and payments, including:
 - a. Deferred Payment Agreements will be offered for unpaid NYSERDA Loan Installment Charges.
 - b. Field Collection Charge and Reconnection Charge will apply, even if the amount in arrears was related solely to NYSERDA Loan Installment charges.
 - c. Uncollectible Payment Handling Charge will apply, even if the payment was solely related to NYSERDA Loan Installment Charges
3. The Late Payment Charge will not apply to any unpaid NYSERDA Loan Installment Charges.
4. NYSERDA Loan Installment charges will not be subject to the following Adjustments to Rates and Charges:
 - a. Increases in Rates and Charges to Recover PILOT Payments
 - b. Shoreham Property Tax Settlement Rider
 - c. New York State Assessment Factor

XI. NYSERDA Loan Installment Program (continued):**B. Operation of the Program (continued):**

5. In the event that the NYSERDA Loan Installment Charges are in arrears when a Customer's account is closed, billed NYSERDA Loan Installment Charges may be transferred to the Customer's new account in accordance with the requirements of Public Service Law §31 and this Tariff.
6. If the Customer does not establish a new account with the Authority within 45 calendar days after the Customer's account is closed, NYSERDA will assume the responsibility for the collection of arrears from the NYSERDA Loan Installment Charges.
7. The NYSERDA Loan Installment obligation shall survive changes in ownership, tenancy, and meter account responsibility at the premises where the energy efficiency measures were installed unless such obligation has been fully satisfied.
 - a. In the event that the NYSERDA Loan Installment obligation has not been satisfied and a successor account is opened for the same premises' meter, the Authority will provide successor customer information to NYSERDA, or its agents
 - b. Prior to the Authority establishing NYSERDA Loan Installment Charges on a successor account, NYSERDA must provide supporting information to the Authority for establishing such payments in the same manner and format used to establish a new participant's enrollment.
 - c. All relevant sections of this Tariff regarding the NYSERDA Loan Installment program will apply to the successor account holder duly enrolled by NYSERDA.
8. In accordance with § 1020-hh of the Public Authorities Law, the Authority may suspend its offering of the on-bill recovery charge regarding the NYSERDA Loan Installment Program provided that the Authority makes a finding that there is a significant increase in arrears or utility service disconnections that the Authority determines is directly related to such charge, or a finding of other good cause.