

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

Staff proposes to modify its Tariff for Electric Service to increase the Daily Service Charge or Monthly Charge for the residential and smaller commercial classifications, and to increase the Demand Charge for the large commercial service classifications to cover increases in the costs of Delivery Service.

Background and Proposal:

At its December 15, 2011 meeting, the LIPA Board of Trustees approved a budget that contemplated an increase in the overall revenues for Delivery Service. To implement this increase, Staff proposes changes to the rates based on individual customer Service Classifications. Recognizing that the Delivery Charge is comprised of three components (a variable charge based on energy usage, a demand charge for larger commercial customers, and a fixed service charge that should recover non-usage related costs including metering, billing and customer service), Staff proposes:

- for all non-demand metered customer classifications¹, an increase in the fixed Daily Service Charge and Monthly Charge component of the Delivery Service rate.
- for all demand-metered customer classifications², an increase in the Demand Charge.

The proposed increase is designed to: 1) have an approximately equal impact on the total bill for the average customer in each major service classification, 2) continue the process of designing rates that are more closely aligned with the nature of costs incurred to run the system (fixed vs. variable), and 3) more closely align LIPA's rate structure with those of the regulated investor-owned electric utilities in New York State.

Staff proposes to increase the Daily or Monthly Service Charges for the residential and smaller commercial classes, as the current daily and monthly rates do not fully recover LIPA's fixed (non-usage-related) costs. As an example, LIPA's cost for providing the fixed monthly service for residential non-Time of Use (non-TOU) customers is estimated to be at least \$15 per month (using PSC-approved costing methods). Similar deficiencies exist for all of the other residential and small commercial customer service classifications. Moreover, LIPA's Daily Service Charges for these customer classes are the lowest in New York State. Since 1998, all the investor-owned utilities in the State have moved toward increasing daily service charges to more accurately reflect the costs of serving each service classification, and LIPA has begun a similar transition in its daily service charges. To illustrate the disparity, a LIPA residential customer currently pays

¹ With the exception of Household Assistance Rate Customers for whom a reduced Daily Service Charge has been approved for qualifying customers.

² With the exception of certain SC-13 contracts for which an approved negotiated rate is applicable.

\$8.25 per month for 30 days of service. The corresponding rates that have been approved by the NYS Public Service Commission for the investor-owned utilities range from \$15 to \$22 per month. Staff proposes to increase the Daily Service Charge to \$10.80 per month, which is still below the PSC-approved range for other electric utilities.

The Household Assistance Rate was authorized by the Trustees (effective March 1, 2011) with the intent to provide a benefit to those Long Island customers that are least able to afford electricity. At that time, the increase to the daily service charge was not applied to customers that qualified for the Household Assistance Rate. To continue with that approach, the Household Assistance Rate is again proposed to be exempt to the increase to the daily service charge, thereby increasing the overall benefit to these households to \$5.43 per 30-day month³. Approximately 20,000 customers receive the Household Assistance Rate currently, and Staff intends to continue to promote the program to further expand participation in 2012 by continuing to reinforce awareness of the program to those customers that could qualify, but have not applied for the benefit. The budget assumes that there will be a total of 25,000 customers enrolled in the program in 2012.

Staff proposes to raise the Demand Charge⁴ for the large commercial service classifications that produces an approximately equal percentage increase on each rate class. Increasing the demand charge allows the recovery of LIPA's fixed costs in a more stable (less weather sensitive) manner than by raising the energy charges in these rate classes. Analyses of the cost to provide basic service to these large customers indicate that the current Basic Service Charges for the largest commercial customers are close to the costs of providing the components of basic service to these customers, and that the current Basic Service Charges are equal to or greater than the charges of the other utilities in the State for similarly-sized customers.

Two energy supply agreements authorized by the Board of Trustees under Service Classification No.13 (Negotiated Contracts) are not subject to this proposed increase given the terms these agreements. The first, an energy supply agreement with the Long Island Rail Road, includes a defined fixed delivery rate for 10 years. The second, an overall agreement between LIPA, the New York Power Authority, and Brookhaven National Laboratories to supply power to the lab includes a defined fixed delivery rate for the term of the agreements between the parties. All other existing energy supply agreements developed under SC-13 allow for increases in the demand charge as proposed.

³ At the direction of the Public Service Commission, all of the major investor-owned utilities in New York offer a low income assistance program. Customer benefits under the various low income programs range from \$5 per month to \$15 per month.

⁴ Demand Charges are imposed on each customer's highest fifteen minutes of electric use (i.e., "demand") in each billing period. All commercial customers with load in excess of 7 kW are subject to Demand Charges and commercial customers on time-of-use rates have Demand Charges in both the peak and intermediate periods. Those service classifications that include Demand Charges have lower energy charges, so that these rates, on average, tend to be lower than the corresponding non-demand rates.

Financial Impacts

The increases in Delivery Charges are designed to generate \$61.9 million in additional revenue over a 12 month period. If implemented on March 5, 2012 as proposed, the revenue impact for calendar year 2012 would be \$51.2 million. The proposed increase in revenue and percentage impact on the total bill for each major rate category is shown in the table below.

The proposed additional revenues to be generated from these increased Delivery Charges are designed to meet the revenue requirements associated with the Authority's approved 2012 budget. The proposed increases in Delivery Charges are in accordance with the 2012 budget, in that:

1. The proposed increases will recover the increases in delivery service costs which are tied to fixed costs, and due predominantly to increased property taxes. Such fixed costs affect customers in all rate classes. Furthermore, these are fixed costs of doing business for LIPA, which have no direct relationship with how much energy each customer uses.
2. The total increase has been allocated proportionately among the service classifications to produce approximately the same percentage increase in the total bill to the average customer in each rate class. This approach spreads the burden of the increased costs proportionately among all customers, since the bulk of the increase relates to costs that impact all customers across-the-board.
3. The percentage increase to small commercial customers is higher than other rate classes because these very small commercial accounts are more expensive to serve than any other rate classification (on a cents per kWh basis) and they have relatively low energy use over which to recover those fixed costs.
4. The percentage increase to large commercial customers is slightly higher than the percentage increase to residential customers because they will receive a larger percentage benefit from the reduction in the Power Supply Charge implemented on January 1st, 2012. Overall, the percentage impact on the large commercial bill of all rate components (Delivery, Power Supply, Efficiency and Other Taxes and Assessments) is the same as for the residential service classification.
5. The proposed Delivery Charge increase includes the costs of the Household Assistance Rate (low income) program. Under that program, eligible low income customers will be protected from the proposed increase in the Daily Service Charge. The increased benefit received by Household Assistance Rate customers is projected to be \$775,625, which if funded by slightly higher rates to all other rate classes (approximately 0.02% on the total bill).

The overall impact of the rate proposal is shown below.

Summary of Current and Proposed Rates

	<u>Current Charge</u> (\$/day)	<u>Proposed Charge</u> (\$/day)	<u>Monthly Increase</u> (30 days)	<u>Revenue Increase</u> (\$000)	<u>Percent of Total Bill</u>
Residential Non-TOU ¹	0.2750	0.3600	\$2.55	\$29,995	1.6%
Residential Small TOU	0.3650	0.4600	\$2.85	\$94	1.6%
Residential Large TOU	1.3000	1.7000	\$10.50	\$938	1.6%
General Small	0.2750	0.3600	\$2.55	\$1,583	2.0%
General Small TOU	0.3650	0.4600	\$2.85	\$11	2.3%
General Large	Demand Charge varies by voltage level			\$11,185	1.8%
General MRP	Demand Charge varies by voltage level and time of use			\$17,454	1.9%
Public & Private Lighting	Service Charge varies by type and wattage			\$596	1.8%
<u>Long Island Rail Road and Brookhaven Labs</u>	Subject to multi-year rate agreements			<u>\$0</u>	<u>0.0%</u>
Total Revenue Increase over 12 months				\$61,857	1.7%
Total Revenue Increase from March through December, 2012				\$51,180	1.4%

Note 1: Residential non-TOU revenue increase reflects discount for Household Assistance Rate of approximately \$775 thousand.

Summary of Proposed Tariff Changes:

Increase the Daily Service Charge in Service Classification Nos. 1, 1-VMRP(S), 1-VMRP(L), 2, 2-VMRP, 2-L, 2-H, 2L-VMRP, 2-MRP, 5, 7, 7A, 10, 11, 12 and 16.

Affected Tariff Leaves:

Leaf Nos. 184, 185, 190, 195, 197, 201, 205, 212, 213, 219, 226, 227, 238, 241, 244, 245, 248, 256, 257, 262, 263, and 279I

Reason for Tariff Change

To recover increased costs of Delivery Service consistent with LIPA's approved 2012 budget.

VIII. SERVICE CLASSIFICATIONS (continued):

A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):
(Rate Codes: 180, 183, 186, 380, 480, 481, 580, 581, 880, 881, 882, 883)

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are set forth below.

All Rate Codes except 480 and 481

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$. 3600 2750	\$. 3600 2750
Reduced Service Charge per Day (see Special Provisions for eligibility)	\$.1790	\$.1790

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
<u>Rate Codes 180, 183, 186</u> Energy Charge per kWh per month		
First 250 kWh @	\$.0857	\$.0857
Over 250 kWh @	\$.0975	\$.0787

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
<u>Rate Code 380 (Water Heating)</u> Energy Charge per kWh per month		
First 250 kWh @	\$.0857	\$.0857
Next 150 kWh @	\$.0975	\$.0787
Next 400 kWh @	\$.0586	\$.0586
Over 800 kWh @	\$.0975	\$.0787

VIII. SERVICE CLASSIFICATIONS (continued):**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):
(Rate Codes: 180, 183, 186, 380, 480, 481, 580, 581, 880, 881, 882, 883)**3. Rates and Charges per Meter (continued):

<u>Rate Code 580, 581, 882, 883 (Space Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh per month		
First 250 kWh @	\$.0857	\$.0857
Next 150 kWh @	\$.0975	\$.0787
Over 400 kWh @	\$.0975	\$.0515

<u>Rate Code 880, 881 (Space and Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh per month		
First 250 kWh @	\$.0857	\$.0857
Next 150 kWh @	\$.0975	\$.0787
Next 400 kWh @	\$.0586	\$.0515
Over 800 kWh @	\$.0975	\$.0515

<u>Rate Code 480, 481</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3200 2320	\$.3200 2320
Energy Charge per kWh per month		
12:00 midnight to 7:00 a.m. (Standard Time) or	\$.0264	\$.0264
10:00 p.m. to 10:00 a.m. (Standard Time)	\$.0300	\$.0300

VIII. SERVICE CLASSIFICATIONS (continued):

B. SERVICE CLASSIFICATION NO. 1-VMRP (L)

Voluntary Large Residential Service with Multiple Rate Periods (continued):
(Rate Codes: 181, 182, 184)

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are found below.

<u>All Rate Codes</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$1. 653 90	\$1. 653 90
<u>Rate Codes 184 – Rate 1 Energy Charge per kWh</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Daylight Savings Time 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u>	<u>Period 2</u>
First 125 kWh @	\$.0376	\$.0376
Over 125 kWh @	\$.0376	\$.0376
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$.0781	\$.0781
Over 125 kWh @	\$.2364	\$.0781

VIII. SERVICE CLASSIFICATIONS (continued):

C. SERVICE CLASSIFICATION NO. 1-VMRP(S)

Voluntary Small Residential Service With Multiple Rate Periods (continued):
(Rate Code: 188)

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are found below.

<u>All Rate Codes</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$. 3600 2750	\$. 3600 2750
Meter Charge per day	\$. 1099 00	\$. 1099 00
Reduced Service Charge per day (see Special Provisions for eligibility)	\$.1790	\$.1790

<u>Rate Codes 188</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
<u>Daylight Savings Time</u> 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$.0578	<u>Period 2</u> \$.0437
<u>Daylight Savings Time</u> 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$.2735	<u>Period 4</u> \$.0888

b) Adjustments to Rates and Charges

Each customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

4. Minimum Charge

The Minimum Charge is the Service and Meter Charges, plus Adjustments to Rates and Charges.

VIII. SERVICE CLASSIFICATIONS (continued):

**D. SERVICE CLASSIFICATION NO. 2 - General Service - Small:
(Rate Code: 280)**

1. Who Is Eligible

- a) Customers who will use the service for purposes other than Residential, when the Authority estimates that the Applicant's demand will be less than 7 kW, subject to Special Provision 8.c) below. The Authority may bill the Customer on a metered or unmetered basis.
- b) A Customer, as described in a. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

2. Who Is Not Eligible

Traffic Signals, caution signals and operating control equipment for all such signals are no eligible for service under this Service Classification.

3. Character of Service

- a) Continuous, 60 hertz, alternating current.
- b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, single or three phase; network system 120/208 or 277/480 volts, single or three phase; depending on the size and characteristics of the load and the circuit supplying the service.

4. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service are set forth below.

<u>Rate Code 280</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$. 3600 ²⁷⁵⁰	\$. 3600 ²⁷⁵⁰
Energy Charge per kWh	\$.1052	\$.0863

VIII. SERVICE CLASSIFICATIONS (continued):**E. SERVICE CLASSIFICATION NO. 2-VMRP****Voluntary Small General Service With Multiple Rate Periods (continued):**
(Rate Code: 288)3. Rates and Charges per Meter:a) Schedule of Rates

The rates for this service code are found below

<u>Rate Code 288</u>	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
Meter Charge per day	\$. 1099 00	\$. 1099 00
Service Charge per day	\$. 36002750	\$. 36002750
Energy Charge per kWh		
Daylight Savings Time 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$.0578	<u>Period 2</u> \$.0437
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$.2735	<u>Period 4</u> \$.0888

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

4. Minimum Charge

The Minimum Charge is the Service and Meter Charge, plus Adjustments to Rates and Charges.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

VIII. SERVICE CLASSIFICATIONS (continued):**F. SERVICE CLASSIFICATION NO. 2-L - General Service - Large (continued):
(Rate Codes: 281, 283)**3. Rates and Charges per Meter:a) Schedule of Rates

The rates for this service code are set forth below.

Secondary Service

<u>Rate Code 281</u>	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
Service Charge per day	\$1.400	\$1.400
Demand Charge per kW of demand	\$10.849.99	\$9.638.88
Energy Charge per kWh	\$.0536	\$.0387

Primary Service

<u>Rate Code 281</u>	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
Service Charge per day	\$1.400	\$1.400
Demand Charge per kW of demand	\$10.129.33	\$8.9525
Energy Charge per kWh	\$.0530	\$.0381
Demand Charge per kvar of Reactive Demand	\$.27	\$.27

b) Rate Code 283 - Seasonal

The following changes to 3.a) above apply to Customers who terminate service for at least four (4) continuous months from October through May and submit a signed Application:

VIII. SERVICE CLASSIFICATIONS (continued):

G. SERVICE CLASSIFICATION NO. 2L - VMRP

Voluntary Large Demand Metered Service With Multiple Rate Periods (continued):
(Rate Codes: 282 and M282)

3. Rates and Charges per Meter per Month:

a) Schedule of Rates

The rates for this service code are set forth below.

Rate Code 282-(Secondary)*

Service Charge per day \$1.400

Meter Charge per day \$.2500

Rate Periods**

	1	2	3
	<u>Off-Peak</u>	<u>On-Peak*</u>	<u>Intermediate</u>
	all year	June - Sept.	all
		weekdays	other
	11 p.m.	12 noon	hours
	to 7 a.m.	to 8 p.m.	

Demand Charge per kW

Total of 3 Rate Periods	none	\$44.7841-28	\$3. 8454
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Energy Charge per kWh

Total of 3 Rate Periods	\$.0217	\$.0385	\$.0354
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Minimum Demand Charge
per Meter per kW

per Rate Period	none	\$5.581-24	\$6.7421
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*For Rate Code M282 (Secondary), the modified peak period is from 3 p.m. to 8 p.m.

** See Paragraph IV.A.10, "Daylight Savings Time", on Leaf No. 99.

VIII. SERVICE CLASSIFICATIONS (continued):

G. SERVICE CLASSIFICATION NO. 2L - VMRP

Voluntary Large Demand Metered Service With Multiple Rate Periods (continued):
(Rate Codes: 282 and M282)

3. Rates and Charges per Meter per Month (continued):

Rate Code 282-(Primary)
 Service Charge per day

\$1.400

Meter Charge per day

\$.7500

Rate Periods**

1

2

3

Off-Peak
 all year

On-Peak*
 June - Sept.
 weekdays

Intermediate
 all
 other

11 p.m.
 to 7 a.m.

12 noon
 to 8 p.m.

hours

Demand Charge per kW
 Total of 3 Rate Periods

none

~~\$42.5639.24~~

~~\$3.6839~~

Energy Charge per kWh
 Total of 3 Rate Periods

\$.0191

\$.0340

\$.0317

Demand Charge per kvar
 of Reactive Demand
 Total of 3 Rate Periods

none

\$.27

\$.27

Minimum Demand Charge
 per Meter per kW
 per Rate Period

none

~~\$52.9148.78~~

~~\$6.445.94~~

* For Rate Code M282 (Primary), the modified peak period is from 3 p.m. to 8 p.m.

**See Paragraph IV.A.10, "Daylight Savings Time", on Leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

4. Minimum Charge - All Rate Codes

The monthly Minimum Charge is the sum of the Service and Meter Charges, and may include an annual Demand Charge (See 6.below), plus Adjustments to Rates and Charges.

VIII. SERVICE CLASSIFICATIONS (continued):

**H. SERVICE CLASSIFICATION NO. 2 - H - Building Heating Service (continued):
(Rate Codes: 290, 291, 293)**

3. Rates and Charges per Meter

a) Schedule of Rates

The rates for this rate code are set forth below.

Secondary Service

	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
<u>Rate Code 290 - General</u> Service Charge per day	\$1.400	\$1.400
Demand Charge per kW of demand	\$10.849.99	\$9.638.88
Energy Charge per kWh one-half (1/2) of the total kWhs	\$.0536	\$.0387
Energy Charge per kWh one-half (1/2) of the total kWhs	\$.0536	\$.0300

Primary Service

	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
<u>Rate Schedule 290</u> Service Charge per day	\$1.400	\$1.400
Demand Charge per kW of demand	\$10.129.33	\$8.9525
Energy Charge per kWh One Half (1/2) of Total kWhs	\$.0530	\$.0381
Energy Charge per kWh One Half (1/2) of Total kWhs	\$.0530	\$.0294
Demand Charge per kvar of Reactive Demand \$.27		\$.27

b) Rate Code 291 - Schools

Same as 3.a) above, except only the recorded demand will apply for schools taking service under this Service Classification. Accessory school buildings that are eligible for Rate 290 and whose accounts are under the school's name and, as such, are tax exempt, would also qualify for Rate 291.

VIII. SERVICE CLASSIFICATIONS (continued):

I. SERVICE CLASSIFICATION NO. 2 - MRP

Large General and Industrial Service With Multiple Rate Periods (continued):
(Rate Codes: 284, 285, M284, M285)

2. Character of Service (continued):

- d) The Authority may consider loads with a minimum estimated demand of 10,000 kW for service at 69,000 volts or higher.
- e) The Primary Rate will also apply to Customers served at 23,000 or 33,000 volts.
- f) The Transmission Rate will apply to Customers served at 69,000 volts or higher.

3. Rates and Charges per Meter per Month:

a) Schedule of Rates

The rates for the service code are set forth below.

<u>Rate Code 285</u>	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Service Charge per day	\$7.50	\$7.50	\$7.50
Meter Charge per day	\$2.50	\$6.50	\$6.50
		<u>Rate Periods**</u>	
	1	2	3
	<u>Off-Peak</u>	<u>On-Peak *</u>	<u>Intermediate</u>
	all year midnight to 7 a.m.	June - Sept. except Sundays 10 a.m. 10 a.m. to 10 p.m.	all other hours
<u>Demand Charge per kW</u>			
Secondary	none	\$22.0919.65	\$5.264.68
Primary	none	\$18.9616.86	\$4.654.14
Transmission	none	\$15.6813.95	\$3.813.39
<u>Energy Charge per kWh</u>			
Secondary	\$.0237	\$.0485	\$.0378
Primary	\$.0218	\$.0446	\$.0356
Transmission	\$.0217	\$.0430	\$.0346
<u>Minimum Demand Charge</u>			
per Meter per kW			
per Rate Period			
Secondary	none	\$33.5029.80	\$9.218.19
Primary	none	\$28.7625.58	\$8.137.23
Transmission	none	\$23.7921.16	\$6.685.94

*For Rate M285, the modified peak period is from 3 p.m. to 10 p.m. on weekdays (Monday – Friday)

** See Paragraph IV.A.10, “Daylight Savings Time”, on Leaf No.99.

VIII. SERVICE CLASSIFICATIONS (continued):

I. SERVICE CLASSIFICATION NO. 2 - MRP

Large General and Industrial Service With Multiple Rate Periods (continued):
(Rate Codes: 284, 285, M284, M285)

3. Rates and Charges per Meter per Month (continued):

<u>Rate Code 284</u>	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Service Charge per day	\$7.50	\$7.50	\$7.50
Meter Charge per day	\$2.50	\$6.50	\$6.50
	<u>Rate Periods**</u>		
	1	2	3
	<u>Off-Peak</u>	<u>On-Peak *</u>	<u>Intermediate</u>
	all year	June - Sept. weekdays	all other hours
	11 p.m. to 7 a.m.	12 noon to 8 p.m.	
<u>Demand Charge per kW</u>			
Secondary	none	\$42,8338.10	\$4,283.84
Primary	none	\$38,4534.35	\$3,843.42
Transmission	none	\$28,7425.56	\$2,872.55
<u>Energy Charge per kWh</u>			
Secondary	\$.0063	\$.0441	\$.0408
Primary	\$.0048	\$.0370	\$.0347
Transmission	\$.0048	\$.0345	\$.0328
<u>Minimum Demand Charge</u> per Meter per kW per Rate Period			
Secondary	none	\$54,9948.94	\$7,256.45
Primary	none	\$49,5744.09	\$6,685.94
Transmission	none	\$36,8832.80	\$5,064.50

* For Rate Code M284, the modified peak period is from 3 p.m. to 8 p.m.

** See Paragraph IV.A.10, "Daylight Savings Time", on Leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

VIII. SERVICE CLASSIFICATIONS (continued):**K. SERVICE CLASSIFICATION NO. 5**
Traffic Signal Lighting (continued):
(Rate Code: 980)4. Definition of Control Mechanism for Billing Purposes:

- a) A control mechanism is a device that controls the signal lights and other traffic/pedestrian equipment at an intersection.

5. Rates and Chargesa) Rates per Signal Face of Light per Month

~~\$6.005.70~~ per control mechanism per month.

\$2.~~7055~~ per incandescent signal face per month.

\$2.~~5540~~ per LED signal face per month

b) Adjustment to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, and the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

6. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

7. Term of Service

- a) The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.
- b) The Customer shall give the Authority thirty (30) days written notice when requesting termination of service.
- c) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff, after giving the Customer thirty (30) days written notice.

VIII. SERVICE CLASSIFICATIONS (continued):

L. SERVICE CLASSIFICATION NO. 7

**Outdoor Area Lighting:
(Rate Code: 780)**

1. Who Is Eligible

Customers who used this service for outdoor lighting before December 5, 1986, provided:

- a) Suitable overhead distribution facilities exist, except,
- b) When only one (1) span of overhead secondary cable per lighting fixture is needed. In such cases, the Authority will provide the cable on existing poles.

2. Character of Service

- a) Unmetered, single-phase, 60 hertz, alternating current supplied to Authority-owned, operated, and maintained lighting facilities, and
- b) Provided for approximately 4,210 hours per year (4,222 for a leap year), at suitable voltages chosen by the Authority, and
- c) Provided to mercury vapor and incandescent lighting facilities.

3. Rates and Charges

a) Rates per Mercury Vapor Facility per Month

<u>Type Luminaire</u>	<u>Approximate Lumens</u>	<u>Total Watts</u>	<u>Monthly Rates</u>
Area Light	7,000	200	\$12.60 12.30
Area Light	21,000	455	\$18.75 18.30
Flood Light	21,000	455	\$20.40 19.80
Flood Light	52,000	1,100	\$43.50 42.30

b) Rates per Incandescent Facility per Month

<u>Type Luminaire</u>	<u>Approximate Lumens</u>	<u>Total Watts</u>	<u>Monthly Rates</u>
Flood Light	100 c.p.	92	\$5.10 4.95
Flood Light	250 c.p.	189	\$9.30 9.00

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

VIII. SERVICE CLASSIFICATIONS (continued):**M. SERVICE CLASSIFICATION NO. 7A****Outdoor Area Lighting - HPS (High Pressure Sodium) and MH (Metal Halide):**
(Rate Codes: 781, 782)1. Who Is Eligible

Customers who will use this service for outdoor lighting, provided:

- a) Suitable overhead distribution facilities exist, except
- b) When only one (1) span of overhead secondary cable per lighting fixture is needed. In such cases, the Authority will provide the cable on existing poles. Charges for additional cable and poles are given below.

2. Character of Service

- a) Unmetered, single-phase, 60 hertz, alternating current supplied to Authority-owned, operated, and maintained lighting facilities, and
- b) Provided for approximately 4,090 hours per year (4,102 for a leap year), at suitable voltages chosen by the Authority, and
- c) Provided to high pressure sodium and metal halide facilities.

3. Rates and Chargesa) Rates per Lighting Facility per Month

<u>Lamp Type</u>	<u>Type Luminaire</u>	<u>Approximate Lumens</u>	<u>Total Watts</u>	<u>Monthly Rates</u>
High Pressure Sodium*	Area Light	6,400	108	\$17.40 16.95
High Pressure Sodium*	Flood Light	27,500	309	\$22.20 21.60
High Pressure Sodium*	Flood Light	50,000	476	\$30.00 29.25
Metal Halide*	Flood Light	36,000	453	\$30.30 29.55
Metal Halide*	Flood Light	110,000	1093	\$36.00 34.95
High Pressure Sodium	Full Cut-off	4,000	63	\$23.10 22.50
High Pressure Sodium	Full Cut-off	6,300	91	\$23.40 22.80
High Pressure Sodium	Full Cut-off	9,500	128	\$24.00 23.40

*Commencing October 1, 2003, not available for new installations or replacements.

VIII. SERVICE CLASSIFICATIONS (continued):**M. SERVICE CLASSIFICATION NO. 7A****Outdoor Area Lighting - HPS (High Pressure Sodium) and MH (Metal Halide) (continued):**
(Rate Codes: 781, 782)3. Rates and Charges (continued):

High Pressure Sodium	Full Cut-off	28,500	305	\$27.60 \$26.85
High Pressure Sodium	Full Cut-off	50,000	455	\$36.00 \$35.10
Metal Halide	Full Cut-off	20,500	288	\$27.75 \$27.00
Metal Halide	Full Cut-off	36,000	455	\$36.00 \$34.95

b) The charge for Additional Overhead Secondary Cable and Poles dedicated to the Customer is ~~\$13.20~~**\$12.78** per span per month.

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

4. Minimum Charge

The monthly Minimum Charge is the facilities charge computed under the rates in 3 a), b) and c) above for the number of lighting facilities in place on the billing date.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

6. Term of Service

- a) The Term of Service is two (2) years, and the Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.
- b) The Customer shall give the Authority five (5) days written notice when requesting termination of service, after two (2) years from the start of service.
- c) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.
- d) The Authority may terminate service immediately if, for any reason, the Authority is not able to maintain the lines needed to supply the facility or is unable to maintain the facility.
- e) The Authority will terminate service to a location and remove the facilities if the Authority decides that a location is too costly because of damaged equipment, unless a satisfactory arrangement can be made between the Authority and the Customer.

VIII. SERVICE CLASSIFICATIONS (continued):**N. SERVICE CLASSIFICATION NO. 10****Public Street and Highway Lighting Energy and Connections:**
(Rate Codes: 1580, 1581)1. Who Is Eligible

- a) Customers who will use this service for lighting of public streets, highways, parks, parking fields, and similar areas where facilities are owned and maintained by governmental agencies or their agents, and
- b) The Authority will furnish service only after suitable agreements are signed that cover energy requirements and service connections.

2. Character of Service

- a) Unmetered, single-phase, 60 hertz, alternating current supplied to Customer-owned, operated, and maintained lighting facilities (a lighting facility includes luminaries, posts, supply circuits, and all associated equipment needed), and
- b) Provided at suitable voltages chosen by the Authority.

3. Rates and Charges

- a) The Energy Charge per Lighting Facility per Month is \$.~~05580533~~ per kWh, for the monthly kWhs of unmetered lighting service specified in this Tariff.
- b) The Underground Connection Charge per Month is \$~~4.654.41~~ per Energy Delivery Point serving one or more underground-supplied lighting facility as described in Special Provision 7.a. below.
- c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the New York State Assessment Factor, and the Energy Efficiency Cost Recovery Rate.

4. Minimum Charge

The monthly Minimum Charge is the total Underground Connection Charge, plus Adjustments to Rates and Charges.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

VIII. SERVICE CLASSIFICATIONS (continued):

**O. SERVICE CLASSIFICATION NO. 11 - Buy-Back Service (continued):
(Rate Code: 289)**

4. Rates and Charges (continued):

c) Rate II. - Charges to be paid by the Customer to the Authority

(1) Service Charge per Installation per Month

(a) A Customer who is interconnected at the distribution voltage level and taking service under this and another Service Classification, shall pay a monthly charge for the additional metering devices required for this Service Classification. This charge is in addition to the Contract-Demand Charges in (2) (c) below. However, Special Provision 10.(c) below may apply.

	<u>Regular Meter</u>	<u>Off-Peak Meter</u>
Secondary Voltage (7 KW and less)	\$7.50 <u>6.48</u>	\$12.75 <u>11.04</u>
Secondary Voltage (above 7 KW)	\$12.25 <u>4</u>	\$15.00 <u>14.97</u>
Primary Voltage:	\$65.00 <u>64.11</u>	\$87.50 <u>86.76</u>

(b) A Customer interconnected at the distribution voltage level and taking service only under this Service Classification, shall pay a monthly charge for local facilities (meter, service, line extension plant). This charge is in addition to the Contract-Demand Charges in (2) (c) below.

	<u>Regular Meter</u>	<u>Off-Peak Meter</u>
Secondary Voltage (7 KW and less)	\$21.00 <u>18.00</u>	\$35.00 <u>30.00</u>
Secondary Voltage (above 7 KW)	\$52.50	\$60.00
Primary Voltage:	\$105.00	\$120.00

(c) A Customer who is interconnected at the subtransmission or transmission voltage level shall pay the full cost of metering devices and any other Local Facilities as part of the Interconnection Charge in (4) below and will not pay a monthly Service Charge.

VIII. SERVICE CLASSIFICATIONS (continued):**O. SERVICE CLASSIFICATION NO. 11 - Buy-Back Service (continued):
(Rate Code: 289)****Rates and Charges (continued):**

(2) Contract-Demand Charge per kWh per Meter per Month

Contract-Demand Charge per KW of Contract Capacity per Meter per Month, applies only to Customers served under this Service Classification at the distribution voltage level. This Charge recovers distribution capacity costs not paid for elsewhere.

	<u>Secondary Voltage</u>	<u>Primary Voltage</u>
Per KW of Contract Capacity	\$2.502-34	\$2.104-95

- (a) The Contract Capacity starts with the number of kilowatts specified in the Customer's application for service under this Service Classification. Then, the Capacity will be increased, if applicable, to the highest average kilowatts measured in a 15-minute interval during any month, rounded to the nearest one-tenth (1/10) kilowatt.
- (b) If the Customer is served only under this Service Classification, the Contract-Demand Charge applies to the entire Contract Capacity.
- (c) If the Customer is also served under another Service Classification, there will only be a Contract-Demand Charge for each KW of the contract capacity provided under this Service Classification that is greater than the maximum demand taken under the other Service Classification, during the same month.
- (d) If the other Service Classification in c. above does not require demand meters, the Authority will estimate the maximum annual demand used under that Service Classification at the time of application for this Service Classification, based on available load information.
- (e) Surcharge For Exceeding the Contract Capacity
 - (i) If the monthly capacity supplied is greater than the Contract Capacity by 10 percent (10%) or less, the Authority will apply a surcharge equal to twelve (12) times the difference in monthly Rate II Contract-Demand Charges to that month's bill.
 - (ii) If the monthly capacity supplied is greater than the Contract Capacity by more than 10 percent (10%) the Authority will apply a surcharge equal to twenty-four (24) times the difference in monthly Rate II Contract-Demand Charges to that month's bill.
 - (iii) In both *i* and *ii* above, the Authority will increase the Contract Capacity to the highest average kilowatts measured in a 15-minute interval during any month, rounded to the nearest one-tenth (1/10) kilowatt.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

Back-Up and Maintenance Service (continued):
(Rate Codes: 680, 681)

4. Character of Service

- a) 60 hertz, single or three-phase alternating current.
- b) Service is metered at one standard delivery voltage, and the Authority will determine the site-specific characteristics and make the necessary adjustments to maintain that delivery voltage.

5. Rates and Charges for Rate II - Back-Up and Maintenance Services

- a) Customers who take service under both this Service Classification and Service Classification No. 15 – Supplemental Service must provide notification to the Authority within 48 hours when utilizing Back-Up and Maintenance Service. If proper notification is not received by the Authority, all of the customer’s usage will be billed as Supplemental Service.

b) Service Charge per Installation per Month

- (1) The Service Charge applies to all Back-Up and Maintenance Service except when this service is combined with Supplemental Service, then the Service Charge for Back-Up and Maintenance is billed under Rate II (ba.2) below.

Back-Up and
Maintenance Service

Secondary Voltage (7 KW and less):	\$33.00
Secondary Voltage (Above 7 KW):	\$60.00
Primary Voltage:	\$99.00

- (2) The Service Charge applies to all Back-Up and Maintenance Service which is combined with Supplemental Service and provided in parallel operation with the non-Authority supply.

Back-Up and
Maintenance Service

Secondary Voltage (7 KW and less):	\$ 33 0.00
Secondary Voltage (Above 7 KW):	\$66.00
Primary Voltage:	\$108.00

VIII. SERVICE CLASSIFICATIONS (continued):**P. SERVICE CLASSIFICATION NO. 12****Back-Up and Maintenance Service (continued):**
(Rate Codes: 680, 681)**Rates and Charges (continued):**

- (3) Customers taking service at the transmission voltage level shall pay the full cost of metering devices and any other Local Facilities as part of the Interconnection Charge (see 6. and 7. below) and will not pay a monthly Service Charge.
- c) Demand Charges for Distribution recover the costs of distribution facilities not paid for by the Customer as a lump sum payment or in the Service Charge.

Contract Demand Charge per KW per Month

The Contract Demand Charge is paid monthly for capacity contracted for by Back-Up and Maintenance Service Customers taking service at the primary and secondary distribution levels, as described in Special Provision 11.e. below.

	<u>Back-Up and Maintenance Service</u>
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Secondary:	\$2.502-46
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Primary:	\$2.104-95
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As-Used Demand Charge per KW per Month

The As-Used Demand Charge is paid in addition to the Contract Demand Charge by Back-Up and Maintenance Service Customers taking service at the primary and secondary distribution levels for demand used during an interruption of the non-Authority supply. The demand billed shall be the highest demand during the month, but not less than one hundred percent (100%) of the highest demand in the last eleven (11) months.

	<u>Back-Up and Maintenance Service</u>
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Secondary:	\$2.502-46
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Primary:	\$2.104-95
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VIII. SERVICE CLASSIFICATIONS (continued):

S. SERVICE CLASSIFICATION NO. 16-AMI

Advanced Metering Initiative Pilot Service (continued):

(Rate Codes: M188, M288, M282, M284, M285)

4. Residential Time-Differentiated Pricing

Residential and Small Commercial Customers participating in the Pilot Service will be charged the rates as stated below.

a) Schedule of Rates (Rate Code M188 and M288)

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.36002750	\$.36002750
Meter Charge per day	\$.100900	\$.100900
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
	<u>Period 1</u>	<u>Period 2</u>
7 p.m. to 2 p.m. weekdays and all day Saturday and Sunday	\$.0578	\$.0437
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	\$.2735	\$.0888

All the terms and conditions will apply as described in the Customer's previous rate and Service Classification.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Fuel and Purchased Power Cost Adjustment Rate, Increases in Rates and Charges to Recover PILOT Payments, and the Shoreham Property Tax Settlement Rider.

c) Minimum Charge

The Minimum Charge is the Service and Meter charge, plus Adjustments to Rates and Charges.

d) Maximum Charge

On an annual basis, the Maximum Charge is no more than what the Customer would have paid under their previous rate and Service Classification for the amount of service actually received over that annual period. Following 12 consecutive months of participation, the Maximum Charge may increase to the amount actually billed to the Participant, so long as that condition is included in the signed agreement with the Customer.