

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Background

The Tariff for Electric Service ("Tariff") of the Long Island Power Authority ("LIPA" or the "Authority") includes a Fuel and Purchased Power Cost Adjustment ("FPPCA"), also known as the "Power Supply Charge", which applies to all Service Classifications. The Power Supply Charge is a provision that allows for the monthly adjustment of rates due to changes in fuel and purchased power and other related costs set forth in the tariff. The Power Supply Charge does not recover the costs of the Power Supply Agreement with National Grid for the use of their legacy power plants on Long Island, nor does it recover the costs for O&M and property taxes of LIPA's 18% ownership share in the Nine Mile Point Unit 2 nuclear power station in upstate New York nor property taxes paid by LIPA on behalf of certain merchant power plants under contract to LIPA on Long Island. Those costs are currently recovered through LIPA's base rates for delivery service.

Requested Action:

Three changes are requested to the current Tariff: (1) transferring the operating expenses and taxes related to power supply into the Power Supply Charge; (2) adopting the term "Power Supply Charge" within the Tariff; and (3) recognizing the costs for compliance with the Clean Energy Standard in the Power Supply Charge.

Staff is proposing to move the capacity related costs that are still embedded in base rates to the Power Supply Charge so that all fuel and purchased power related costs are recovered through the Power Supply Charge. These costs amount to approximately \$505 million for 2016 and a projected \$515 million for 2017, which is approximately 2.5 cents per kWh. This rate restructuring is revenue neutral and has no financial impact to LIPA. LIPA's base rates would be reduced by the same amount that the Power Supply Charge would be increased and customers would continue to pay only the actual cost incurred, as is presently the case.¹

This proposed change offers several benefits to the Authority and its customers. First, the proposal creates a clearer distinction between the costs a customer incurs for power supply versus delivery service. This sends a more accurate price signal to customers regarding the true cost of their power supply and makes for easier comparison to the costs of neighboring utilities. Second, by moving fixed capacity costs into the Power Supply Charge, customers will benefit from a more stable Power Supply Charge from month to month. Third, the proposal will make the Authority's tariff and rate mechanisms essentially consistent with the practices of other New

¹ The power supply costs in base rates are already subject to annual reconciliation to actual cost through the Delivery Service Adjustment.

York utilities, which separate power supply costs and delivery service costs into distinct charges on customer bills.

The proposed change requires changes to the wording of two related programs. First, the Energy Service Companies (“ESCOs”) participating in the Long Island Choice program would effectively see their payments for the Power Supply Charge increase, while their participating customers would see a corresponding decrease in their bill from LIPA. While there may be sales tax implications for the participants, this change places those ESCOs on equal footing with ESCOs in the rest of the state.

This proposal also eliminates the need for the Recharge New York Delivery discount that is applied to the capacity costs in delivery rates. However, with the elimination of this discount, the proposed changes will be revenue neutral to these customers, since their delivery rates will be correspondingly lower.

Additionally, to provide further clarity to customers, the term “Power Supply Charge” will be used instead of the term “Fuel and Purchased Power Costs (FPPCA)” throughout the LIPA Tariff. The term “Power Supply Charge” is what customers already see on both their bills and in PSEG Long Island communications.

Thirdly, Staff is proposing to update the tariff to reflect that CES costs are also to be recovered through the Power Supply Charge, consistent with the recovery method proposed by the Department of Public Service for the other New York utilities.² The Power Supply Charge already includes the recovery of costs for renewable energy purchases and costs incurred under the New York Renewable Portfolio Standard (“RPS”). The Public Service Commission recently replaced the RPS with a successor program called the Clean Energy Standard (“CES”) and Staff seeks to clarify that the replacement program is also recoverable through the Power Supply Charge. Note however that costs incurred for CES compliance that are already recoverable under the Distributed Energy Resources (“DER”) rider, such as energy efficiency costs, will continue to be recovered under the DER rider rather than under the Power Supply Charge.

Financial Impacts: None. This is a revenue neutral restructuring of approximately \$505 million (for 2016) and \$515 million (for 2017) associated with LIPA’s power purchase agreement with National Grid, LIPA’s operating expenses for its 18% ownership in the Nine Mile Point 2 nuclear generating station, and property taxes on the merchant power plants serving Long Island from base rates to the Power Supply Charge. Note that the attached redlined Tariff leaves show (for illustrative purposes) the effect that the proposed changes would have on 2016 rates. Because the proposed Tariff changes are effective January 1, 2017, however, the changes to the 2016 rates shown in the attached Tariff leaves will not take effect. Instead, the proposed reductions will be applied to the 2017 rates once those updates have been developed.

² Case 15-E-0302 – Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard.

Proposed Tariff Changes:

To update the FPPCA, all Service Classification rates and eliminate the Recharge New York discount in the tariff.

Affected Tariff Leaves:

6, 6B, 15, 16, 53, 100, 166, 167, 168, 169, 170, 181, 182, 182H, 182I, 182L, 182O, 182P, 184, 185, 186, 190, 191, 192, 195, 197, 198, 201, 205, 206, 209, 210, 212, 213, 217, 226, 227, 230, 230A, 231, 238, 241, 244, 245, 248, 264, 265, 272, 279I, 279J, 306, 313.

Summary of Proposed Changes:

In summary, the proposed changes to LIPA's Tariff for Electric Service will update the FPPCA so as to move capacity related power costs currently in base rates to the FPPCA and recover Clean Energy Costs. The FPPCA will also be referenced as the Power Supply Charge throughout the Tariff.

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I. General Information (continued):**B. Abbreviations and Definitions (continued):****Customer or Consumer (continued):**11. Seasonal Customer

A Customer who applies for and receives electric service at intervals during the year, or at other irregular intervals.

12. Short-Term or Temporary Customer - Non-Residential

A Non-residential Customer who requires temporary service for no longer than two (2) years.

13. Short-Term or Temporary Customer - Residential

A Residential Customer who requires temporary service for no longer than one (1) year.

Customer-generator: A Residential, Non-residential or Farm Service Customer of the Authority who owns and/or operates electric generating equipment. Customer-generators may be eligible for net metering. See definitions of Solar Electric Generating Equipment and Wind Electric Generating Equipment for further details.

Cycle Billing: Billing from the reading of meters on a regular interval. In general, there are twenty (20) business days in each month. Each business day is called a cycle and numbered. The cycle is the interval between that cycle number in the previous and current month. Each Customer's meter is read on or near the same cycle number every month or every other month.

D

Deferred Payment Agreement: A written agreement for the payment of outstanding charges over a fixed period of time.

Delinquent Customer: A non-residential Customer who has made two (2) or more late payments within the last twelve (12) months, or a residential Customer who has not paid a properly presented bill for electric service, either in full or an agreed-upon partial payment, by the "Pay by" date on the bill.

Delivery Service: The transmission and distribution of electricity to a Customer.

Delivery Service Revenues: Delivery Service Revenues include revenues based upon the rates and charges specified in Section VIII of the Tariff and exclude adjustments to rates and charges such as: the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Distributed Energy Resources Cost Recovery Rate, New York State Assessment Factor, Shoreham Property Tax Settlement Factor, Visual Benefits Assessment Rate, Charges to Recovery PILOT Payments, and the Revenue Decoupling Mechanism.

Demand: Power requirements placed on the utility system by a Customer or group of Customers. It is expressed in kilowatts, kilovoltamperes, or any other suitable unit and averaged over a fifteen (15) minute period. (See *Power*)

1. Coincidental Demand

When the maximum demand of a Customer or Customers occurs at the same time as the maximum demand of all other Customers.

2. Noncoincidental Demand

When the maximum demand of a Customer or Customers does not occur at the same time as the maximum demand of all other Customers.

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

Demand Customer: A Customer who is billed for Demand charges.

Demand Meter: The device that records the maximum amount of power used by the Customer over a 15-minute interval during a specific period, such as a month.

Department: The New York State Department of Public Service.

Deposit: A sum of money given as security for payment of service.

Distribution Facilities: Facilities used to distribute electric energy to consumers, including supply lines, distribution lines, service laterals, and accessory equipment.

Distribution Line(s): A system of poles, wires, ducts, conduits, and additional equipment used for the shared distribution of electricity to Customers.

E

Easement: (See *Right-of-way*)

Energy: Energy is electric power, used or supplied over time, and measured in KWH.

Existing Overhead Areas: Areas in which electric distribution facilities are constructed overhead, and there are no requirements to construct facilities underground.

F

Farm Waste Electric Generating Equipment: Equipment that generates electric energy from biogas produced by anaerobic digestion of agricultural wastes, such as livestock manure, farming wastes and food processing wastes with a rated capacity of not more than one thousand kilowatts (1,000 kW) that is manufactured, installed and operated by Customer-generator in accordance with applicable government and industry standards, connected to the electric system and operated in conjunction with the Authority's transmission and distribution facilities, operated in compliance with the Authority's standards and requirements established therefor, fueled at a minimum of ninety (90) percent on an annual basis by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues, and food processing waste, and fueled by biogas generated by anaerobic digestion with at least fifty (50) percent by weight of its feed stock being livestock manure on an annual basis.

Fuel Cell Electric Generating Equipment: A solid oxide, molten carbonate, proton exchange membrane or phosphoric acid fuel cell, with a combined rated capacity of not more than ten (10) kilowatts for a residential customer or with a rated capacity of not more than one thousand five hundred (1,500) kilowatts for a non-residential customer, that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in compliance with the Authority's standards and requirements established therefor. This definition, including the capacity limits specified herein, does not apply to fuel cells participating in the Fuel Cell Feed-in Tariff.

Fuel and Purchased Power Cost Adjustment Clause Power Supply Charge: Provisions made in electric rates schedules for the automatic adjustment of rates due to changes in cost of fuel and purchased power.

Full-Requirements Customer: A Customer whose electric power requirements are all supplied by the Authority. (See *Customer – Full Requirements Customer*)

G

Generation Project: A specific project that is eligible to participate in the Commercial Solar or Fuel Cell Feed-In Tariff under Service Classification No. 11 – Buy-Back Service.

II. How to Obtain Service (continued):**D. General Obligations of the Authority and Applicants (continued):****8. Construction Loan Agreements - Special Payment Conditions or Unusual Construction**

a) The Authority will extend its facilities only if satisfactory arrangements have been made under a Construction Loan Agreement to reimburse the Authority for the investment and expense involved. Under the Agreement:

(1) The line extension is on private property with the potential to feed multiple Customers, and

(2) Payment is up front, and

(3) For up to a period of ten (10) years, the Authority will annually refund to the Customer one-half (1/2) of the Net Electric Revenue derived from the extension. All refunds will stop after ten years. The refunds may end in less than ten (10) years if the Customer recovers the up front payment sooner, and

(4) Net Electric Revenue is found by subtracting the following items from the total revenue:

(a) Tariff-published ~~fuel and purchased power cost~~ Power Supply Charge to the Authority

(b) Annual charge for electric service including payments in lieu of property tax on the allowance portion of the Authority's total construction costs

(c) Payments in lieu of property tax on the Construction Loan amount

b) The Applicant may file a complaint in accordance with the provisions of this Tariff regarding the fairness of the arrangement.

9. Payment for Temporary Service

a) Customers requiring temporary service or service for construction purposes shall pay in advance for the cost of constructing and removing temporary facilities, and

b) Customers will pay for service under the suitable service classification, but they do not have to meet the time requirements of the service classification.

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~~ Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment and Distributed Energy Resources Cost Recovery Rate, and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- e) Any credits resulting from the Maximum Charge provision of Service Classification No. 16 Advanced Metering Initiative (AMI) Pilot Service, and
- f) NYSERDA Loan Installment Charges, and
- g) Securitization 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.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:**A. ~~Fuel and Purchased Power Cost Adjustment~~Power Supply Charge:****1. ~~Costs included in the Power Supply Charge of Fuel and Purchased Power~~****~~The Cost of Fuel and Purchased Power~~Power Supply Charge includes:**

- a) The total actual cost of fossil and nuclear fuel purchased on behalf of the Authority to produce electricity, including nuclear fuel disposal costs and the Authority's share of the Nine Mile Point 2 nuclear generating plant decontamination and decommissioning costs paid to the operator, plus
- b) The total actual cost, including property taxes, of all electric power purchased by or on behalf of the Authority from the New York Power Authority (NYPA), National Grid Generation, other utilities, and independent power producers, including qualifying facilities and customer-generators, net of revenues received from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
- c) The total actual cost of all transmission wheeling and other charges (including charges on any off-island transmission facilities which deliver power to the Authority's system), plus
- d) The total actual cost of payments by the Authority to Customers who shed load during times of high system demands at the request of the Authority including payments for participation in the Dynamic Load Management programs contained in Section XIII , plus
- e) The actual fuel costs and the value of foregone emissions credits that partially offset revenues credited from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
- f) The cost incurred under any system power supply management or fuel management services agreements, plus
- g) Charges for Capacity, Energy, Scheduling, System Control and Dispatch Service, and ancillary services paid by LIPA as a participant in any Independent System Operator (ISO) administered markets, plus
- h) Any other net charges (net of revenues) associated with TCCs, ancillary services and short term capacity received by the Authority as a participant in any Independent System Operator (ISO) administered markets, plus
- i) Bill Credit Adjustment (BCA) payments to ESCOs and DRCs under the LI Choice Program, plus
- j) Premiums and other costs associated with the Authority's fuel hedging program, including any gains or losses realized, plus
- k) Costs incurred to comply with the requirements of the New York State Renewable Portfolio Standards and costs incurred for the purchase of renewable energy credits (including the cost of any alternative compliance payments) and zero emission credits associated with New York Clean Energy Standards programs.
- l) Costs incurred for the operation, maintenance, and property taxes of the Authority's share of the Nine Mile Point Unit 2 Generating Facility.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**A. ~~Fuel and Purchased Power Cost Adjustment~~ Power Supply Charge (continued):**2. Average Cost of ~~Fuel and Purchased Power~~ Power Supply Charge

The ~~Average~~ average Cost-cost of ~~the Power Supply Charge~~ Fuel and Purchased Power in cents per kWh for the month is calculated by dividing the projected month's ~~Cost-costs~~ included in the Power Supply Charge of Fuel and Purchased Power and the projected month's total LI Choice customer bill credits by the projected month's Energy Sales.

3. Energy Sales

Energy Sales is the amount of electricity required to meet the Authority's Bundled Service and LI Choice Customer needs, measured at the Customer's meter.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**A. ~~Fuel and Purchased Power Cost Adjustment~~Power Supply Charge (continued):**4. ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge

- a) The ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge, expressed in cents per kWh, is calculated as the sum of: (i) the ~~Average-average Cost-cost~~ of ~~Fuel and Purchased Power~~the Power Supply Charge expressed in cents per kWh, plus (ii) a rate, expressed in cents per kWh calculated to refund or recover any overcollections or undercollections of ~~fuel and purchased power costs~~the Power Supply Charge as of the end of the preceding period. The ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge is rounded to the nearest .0001 cents per kWh.
- b) The Authority will prepare and retain on file a Statement of ~~the Power Supply Charge~~Fuel and Purchased Power Cost Adjustment Rate. The Statement will be available at the Authority's business offices.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**A. ~~Fuel and Purchased Power Cost Adjustment~~ Power Supply Charge (continued):**

- c) The Statement will be revised each time the ~~Fuel and Purchase Power Cost Adjustment Rate~~ Power Supply Charge is revised and will contain:
- (1) The identification of the Service Classifications affected, and
 - (2) The date the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge becomes effective, and
 - (3) The month used to obtain the ~~a~~ Average Cost-cost of ~~the Power Supply Charge~~ Fuel and Purchased Power, and
 - (4) The ~~Average-average Cost-cost~~ of the Power Supply Charge-Fuel and Purchased Power in cents per kWh for the specified month, and
 - (5) The Rate in cents per kWh to Refund/Recover Overcollections/Undercollections of fuel and purchased power costs for the preceding periods, and
 - (6) The ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge in cents per kWh.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**B. Increases In Rates and Charges To Recover PILOT Payments:**

1. Gross Receipts Tax (including the Temporary Metropolitan Transportation Business Tax Surcharge) PILOT Payments to a Governmental Authority

To recover gross receipts tax payments in lieu of taxes ("PILOT") to a governmental authority, the Authority will:

- a) Increase the rates and charges in the affected municipalities under all Service Classifications and rental charges, when they apply, by a percentage rate equal in amount to the PILOT Payments, and
- b) Prepare and retain on file a Statement of Adjustment in Rates and Charges summarizing the PILOT percentage rates. Statements will be available for review at the Authority's business offices.
- c) Calculation of the Gross Receipts Tax amount to be billed to Customers:
 - (1) Calculate the Customer's total bill including the ~~Fuel and Purchase Power Adjustment (FPPGA)~~ Power Supply Charge component using the current tariff rates.
 - (2) Calculate the commodity portion of the Customer's bill by multiplying the Customer's energy usage (kWh) by the sum of the commodity rate, the Municipal Distribution Agency (MDA) rate for residential customers, if any, and the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge (see Statement of ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge) minus \$0.0392 per kWh. The commodity rate is the Long Island Choice bill credit (see Leaf Nos. 310-312) and is determined by the Customer's rate code.
 - (3) Calculate the Customer's transportation component by subtracting the Customer's commodity portion (see c)(2) above) from the Customer's bill.
 - (4) Adjust the commodity and transportation components (See paragraphs 2 and 3, above) by the Shoreham Property Tax Settlement Factor.
 - (5) Apply the appropriate PILOT percentage rate for residential or non-residential as shown on the Statement of Increase in Rates and Charges to Recover PILOT Payments to the commodity (see c)(2) above) and to the transportation components (See Paragraph 4).
 - (6) Exceptions:

In those instances where a Customer's commodity rate has not been classified under a rate code (see Leaf Nos. 310-312), the commodity rate will be based on the Customer's alternate rate and the appropriate Service Classification the commodity rate it is listed under.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**E. Adjustments to Rates to Encourage Business Development (continued):
Recharge New York Power Program (continued):**d) Rates and Charges

- (1) The billing period for customers served under Recharge NY Power program shall be the calendar month. When a customer's eligibility for Recharge NY service expires, that customer shall revert back to the billing period of the applicable service classification as specified by the Authority.
- (2) In the event that NYPA is unable to deliver in any billing period any portion or all of the Recharge NY power to the Authority as contracted for, each customer shall have his contract lowered by the amount of reduced deliveries, allocated on a pro rata basis across all current Recharge NY contract demands. All such load not delivered and subsequently replaced with load supplied by the Authority shall be billed according to the rates and provisions of the Service Classification applicable to the customer's load served by the Authority during the periods of the reduced deliveries.
- (3) Customers served under Recharge NY Power program are subject to the following:
 - (a) Customers served under Recharge NY Power program will be subject to the rates, charges, terms and conditions specified in their applicable service classification: and
 - (b) Recharge NY allocations under this program will not be charged for the Authority's ~~Fuel and Purchase Power Cost Adjustment rate~~ Power Supply Charge, Revenue Decoupling Mechanism, Delivery Service Adjustment and the Distributed Energy Resources Cost Recovery Rate.
 - (c) The increase in Rates and Charges to Recover PILOT Payments, the New York State Assessment, the Securitization Offset Charge, and all other Adjustments to Rates and Charges not specifically excluded above will be applied to the Customer's bill.
 - (d) The Securitization Charge will be applied to the customer's bill.

- ~~(4) Load served under Recharge NY Power program will receive a discount on the charges under their applicable service classification to remove the impact of generating capacity costs that are recovered through those rates.~~
- ~~(a) The discount will apply to demand charges, minimum demand charges, and energy charges, for each applicable service classification, but not the service charge, meter charge, or reactive demand charge.~~
- ~~(b) The level of discount will be calculated for each calendar year to remove the following cost elements from the Base Rate Charges for Delivery Service, and reflect the values shown in the Authority's budget for each cost component listed below:~~
- ~~(1) The Power Supply Agreement expenses associated with certain National Grid generating facilities.~~
 - ~~(2) Operation, maintenance, depreciation, property tax and interest expenses associated with the Authority's partial ownership of the Nine Mile Point generating station.~~
 - ~~(3)(1) Property tax expense associated with merchant generating facilities.~~

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**E. Adjustments to Rates to Encourage Business Development (continued):
Recharge New York Power Program (continued):**

~~(c) The Authority will prepare and retain on file a Statement of Discount Applicable to Recharge NY Delivery Service. The Statement will be available at the Authority's business offices.~~

e) Allocation of Billing Determinants between Recharge NY Power and Authority-supplied Service Requirements

Where a Recharge NY Power allocation is not sufficient to meet the full requirements of a Customer in any billing period, the billing demand and billing energy for that Customer will be determined as follows:

- (1) For a Customer not currently subject to an existing load sharing arrangement, the billing demand and the billing energy for the Recharge NY Power program shall be determined by multiplying the Customer's metered demand and energy for the current billing period by the ratio of the Customer's Recharge NY Power allocation to the Customer's highest metered demand for the current billing period. Such ratio shall not be greater than unity (1.0). The remaining amounts of demand and energy, if any, shall be billed by the Authority to the Customer under its Tariff at the non-Recharge NY Power rates otherwise applicable to the Customer.
- (2) For a Customer subject to an existing load sharing agreement, the provisions of that arrangement shall govern the computation of Recharge NY Power service billing determinants for the affected Customer.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**H. New York State Assessment:**1. Purpose

The purpose of the New York State ("NYS") Assessment is to recover costs imposed on the Authority as a result of changes to Public Service Law ("PSL") , Article 1 section 18-a(2) and 18-a(6), which was signed into law on April 7, 2009, and amended on July 29, 2013. The NYS Assessment is payable to the State of New York and has a stated intention to encourage conservation of energy and other resources on Long Island and to fund the Long Island office of the Department of Public Service. The NYS Assessment will be in effect for five (5) years or as long as the legislation remains in effect.

2. Who Is Eligible

All customers, including LI Choice customers, who are billed under the Authority's Service Classifications, will be subject to the NYS Assessment factor. Energy Service Companies (ESCOs) participating in the Long Island Choice program are subject to the NYS Assessment for any miscellaneous charges billed to them, but not for payments or credits related to the Bill Credit Adjustment or the ~~Fuel and Purchased Power Cost Adjustment~~Power Supply Charge.

3. Determination of the NYS Assessment Factor

- a) In each calendar year, the Authority staff will work with the Chairman of the New York State Public Service Commission to determine the amount of the NYS Assessment for that calendar year. For purposes of determining the NYS Assessment Factor on a calendar year basis, the Authority staff may estimate the amount owed to the State in that calendar year, subject to true-up at some later point in time for the actual amount owed to the State for that annual period.
- b) Beginning January 1, 2010, the NYS Assessment Factor will be calculated to collect the amount assessed to the Authority (including carrying charges) divided by the projected revenues subject to the NYS Assessment for the time period to be recovered.
- c) The amount of NYS Assessment for the nine months of 2009 that the Authority is required to pay shall be deferred and amortized with interest for recovery over the remaining four (4) calendar years starting January 1, 2010.
- d) Overrecovery or underrecovery of the NYS Assessment relative to the amount actually paid to the State will be surcharged or refunded in subsequent periods.
- e) The NYS Assessment factor will be expressed as a percentage increase to the applicable actual or estimated charges on the Customer's bill.
- f) The NYS Assessment factor will be shown on a separate "Statement of NYS Assessment Factor" and will be updated at the beginning of each year, and from time to time within the year at the discretion of the Authority staff. The Statement will be available at the Authority's business offices.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**H. New York State Assessment:**

4. Application of the NYS Assessment Factor
 - a) The NYS Assessment factor will apply to the following customer bill components:
 - (1) Base Rates including the service and meter charges, energy charges (kWh),
 - (2) and demand charge (kW); and
 - (3) ~~Fuel and Purchase Power Cost Adjustment (FPPCA)~~Power Supply Charge; and
 - (4) Visual Benefits Assessment (VBA), if applicable; and
 - (5) Distributed Energy Resources Cost Recovery Rate; and
 - (6) Shoreham Property Tax (SPT) Settlement factor if applicable; and
 - (7) Revenue Decoupling Mechanism; and
 - (8) Delivery Service Adjustment; and
 - (9) Securitization Offset Charge; and
 - (10) Securitization Charge; and
 - (11) Any "Charges for Miscellaneous Services".
 - b) Customers participating in the Long Island Choice program will be charged for the NYS Assessment as if they paid the Authority's charges for Bundled Service.
 - c) ESCOs participating in the LI Choice program will be charged for the NYS Assessment on any miscellaneous charges incurred under that program, but not for payments made or received from the Bill Credit Adjustment or the ~~Fuel and Purchased Power Cost Adjustment~~Power Supply Charge.
 - d) The NYS Assessment factor does not apply to Increase in Rates and Charges to Recover PILOT Payments.
5. Annual Reconciliation
 - a) Each year, the Authority will perform a reconciliation based on twelve months to recover any amounts under or over collected in the prior time period. Any difference will be added to the amount to be recovered in the following year.
 - b) If the Commission determines that the amount assessed to the Authority under Section 18-a for a fiscal year is different from the amount used by the Authority to establish the revenue factor, the revenue factor will be updated as necessary to allow the Authority to recover the full amount of the assessment above the amount reflected in the Authority's base rates.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**J. Revenue Decoupling Mechanism****Definitions (continue):**

- e) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Revenue Decoupling Mechanism according to their base rate Service Classification.
- f) The Revenue Decoupling Mechanism does not apply to:
 - (1) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14.
 - (2) Service Classification Nos. 5, 7, 7A and 10 (Rate Codes 980, 780, 781, 782, 1580, 1581).
 - (3) Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278).
 - (4) All load delivered under the Empire Zone Program, Excelsior Jobs Program, Manufacturer's Competitiveness, Business Attraction/Expansion Program, Business Incubation, and Recharge New York Programs.
- g) Annual Approved Delivery Service Revenues subject to the Revenue Decoupling Mechanism are:

The Delivery Service Revenues approved by the Authority for each Service Classification for each month in the calendar year, starting on April 1st 2015. Delivery Service Revenues exclude adjustments to rates and charges which include: the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Distributed Energy Resources Cost Recovery Rate, New York State Assessment Factor, Shoreham Property Tax Settlement Factor, Visual Benefits Assessment Rate, Charges to Recover PILOT Payments, the Revenue Decoupling Mechanism, and the Delivery Service Adjustment.

- h) Revenues for the calendar year are set forth in the approved LIPA budget, and are revised each December for the upcoming calendar year.
- i) Actual booked Delivery Service Revenues are, for the purposes of Revenue Decoupling Mechanism, booked revenues for all Service Classifications for each month in the calendar year as it relates to the Service Charge, Meter Charge, Demand Charge (per kW), Reactive Demand Charge (per kvar), and the Energy Charge for delivery (per kWh).
- j) Tracking Period: In 2015 the tracking period is April 2015 to December 2015. In 2016 and beyond the tracking periods are semi-annual January through June and July through December.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:
(continued):**

K. Delivery Service Adjustment

1. Purpose and Applicability

The Delivery Service Adjustment is a rate mechanism that reconciles on an annual basis the difference between the amount of certain costs included in the Authority's base delivery rates ("Base Rate Costs") and the amount of such costs that the Authority actually incurs in an annual period.

2. Applicability

- a) The Delivery Service Adjustment will be assessed to Service Classification Nos. 1, 1-VMRP, 2, 2-VMRP, 2-L, 2-L-VMRP, 2-MRP, 5, 7, 7-A, 10, 12 and 16.
- b) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Delivery Service Adjustment as applied to their Service Classification.
- c) The Delivery Service Adjustment does not apply to:
 - (1) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14.
 - (2) Service Classification Nos. 11 and 13 (Rate Codes 289, 278).
 - (3) All load delivered under the Empire Zone Program, Excelsior Jobs Program, Manufacturer's Competitiveness Business Attraction/Expansion Program, Business Incubation, and Recharge New York Programs.

3. Relevant Terms and Conditions

a) The Base Rate Costs subject to the Delivery Service Adjustment are as follows:

~~(1) Power Supply Costs – Base Rate Costs include costs incurred (i) under the Amended and Restated Power Supply Agreement between National Grid Generation LLC and the Long Island Lighting Company d/b/a LIPA, and (ii) for the operation, maintenance, and property taxes of the Nine Mile Point 2 Nuclear Facility.~~

~~(2)~~(1) Storm Event Reserve Funding: Base Rate Costs include funding for a Storm Event Reserve. All Storm Event costs will be charged to the Storm Event Reserve. "Storm Events" are defined as set forth in the LIPA amended and restated, Operations Service Agreement ("OSA"), dated December 13, 2013. Storm preparation costs associated with storms that do not materialize may be recoverable through the Delivery Service Adjustment if a budget amendment recommending recovery of such costs is approved by the Authority Board of Trustees.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:**(continued):****K. Delivery Service Adjustment****Relevant Terms and Conditions: (continued)**

- ~~(3)~~(2) Debt Service Costs: In accordance with the Department Rate Recommendation dated September 28, 2015, Base Rate Costs include the amount of interest and principal payments on the Authority's debt adjusted for amounts associated with its fixed coverage ratio, plus all amounts of interest and principal payments including coverage collected on behalf of the Utility Debt Securitization Authority (and any similar authority).
- b. Tracking Period: In 2016, the Tracking Period shall be the nine months, January 1, 2016 to September 30, 2016. After September 30, 2016, the Tracking Periods shall be the twelve months beginning October 1 and ending September 30 of each year.
- c. Storm Event Reserve Cap: The Storm Event Reserve Cap will be set to \$75 million and will be shown on the Statement of Delivery Service Adjustment.
- d. The difference between the actual costs incurred by the Authority during the Tracking Period as identified in Section K. 3. a and the Base Rate Costs for the Tracking Period will determine the DSA recovery/credit amount as follows:
- (1) The entire difference in ~~Power Supply Costs and~~ Debt Service Costs will be included for recovery/crediting in the next Recovery Period as defined below.
 - (2) A cumulative balance will be established for the Storm Event Reserve. Starting in January 2016, the approved amount of revenue to be collected through base delivery charges to satisfy the Storm Event Reserve will be added to that balance monthly, and actual Storm Event expenditures throughout the Tracking Period will be deducted from the balance. The balance remaining in the account at the end of the Tracking Period will be determined. If a positive balance exists below the Storm Event Reserve Cap, the balance will remain in the Storm Event Reserve to offset future expenditures for Storm Events. If a negative balance exists, one-third of that balance will be recovered in the next Recovery Period as defined below and the remaining two-thirds of the balance will be eligible for recovery during a future Recovery Period.
 - (3) In the event that the balance in the Storm Event Reserve Fund exceeds the Storm Event Reserve Cap, the funds in excess of the Storm Event Reserve Cap will be used to offset future capital spending.
4. Cost Recovery Period and Method
- a) For the Service Classifications subject to the Delivery Service Adjustment:
- (1) The difference in costs for the applicable Tracking Period as determined in accordance with Section K.3.d), plus the costs incurred under the Amended and Restated Power Supply Agreement between National Grid Generation LLC and the Long Island Lighting Company d/b/a LIPA, and for the operation, maintenance, and property taxes of the Nine Mile Point 2 Nuclear Facility for 2016, will be credited to or recovered from the Service Classifications subject to the Delivery Service Adjustment.
 - (2) A Delivery Service Adjustment refund or recovery will be determined and applied to customer bills for the 12-months beginning January 1st of each calendar year (the "Recovery Period") subsequent to the end of the Tracking Period.

VIII. SERVICE CLASSIFICATIONS: (continued):

**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):
(Rate Codes: 180, 380, 480, 481, 580, 880)**

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are set forth below.

<u>Rate Code 180</u>	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
Reduced Service Charge per Day (see Special Provisions for eligibility)	\$.1790	\$.1790
Energy Charge per kWh per month		
First 250 kWh @	\$. 08830635	\$. 08830635
Over 250 kWh @	\$. 10740823	\$. 08830635

<u>Rate Code 380 (Water Heating)</u>	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
Reduced Service Charge per Day (see Special Provisions for eligibility)	\$.1790	\$.1790

Energy Charge per kWh per month	June to September <u>Inclusive</u>	October to May <u>Inclusive</u>
First 250 kWh @	\$. 08830635	\$. 08830635
Next 150 kWh @	\$. 10740823	\$. 08830635
Next 400 kWh @	\$. 07520504	\$. 07150467
Over 800 kWh @	\$. 10740823	\$. 08830635

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

<u>Rate Code 580 (Space Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
Reduced Service Charge per Day (see Special Provisions for eligibility)	\$.0090	\$.0090
Energy Charge per kWh per month		
First 250 kWh @	\$.0883 <u>0635</u>	\$.0883 <u>0635</u>
Next 150 kWh @	\$.4074 <u>0823</u>	\$.0883 <u>0635</u>
Over 400 kWh @	\$.4074 <u>0823</u>	\$.0607 <u>0359</u>

<u>Rate Code 880 (Space and Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
Reduced Service Charge per Day (see Special Provisions for eligibility)	\$.0090	\$.0090
Energy Charge per kWh per month		
First 250 kWh @	\$.0883 <u>0635</u>	\$.0883 <u>0635</u>
Next 150 kWh @	\$.4074 <u>0823</u>	\$.0883 <u>0635</u>
Next 400 kWh @	\$.0752 <u>0504</u>	\$.0607 <u>0359</u>
Over 800 kWh @	\$.4074 <u>0823</u>	\$.0607 <u>0359</u>

<u>Rate Code 480, 481</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3200	\$.3200
Energy Charge per kWh per month		
12:00 midnight to 7:00 a.m. (Standard Time) or	\$.0338 <u>0090</u>	\$.0338 <u>0090</u>
10:00 p.m. to 10:00 a.m. (Standard Time)	\$.0375 <u>0127</u>	\$.0375 <u>0127</u>

VIII. SERVICE CLASSIFICATIONS: (continued):**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):****(Rate Codes: 180, 380, 480, 481, 580, 880)****Rates and Charges per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

4. Minimum Charge - All Rate Codes

The Minimum Charge is the applicable Service Charge for each meter, plus Adjustments to Rates and Charges. Late Payments shall be subject to Late Payment Charges.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill.

6. Term of Service

The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

7. Special Provisionsa) Water Heating

The Water Heating Energy Charge in A.3. above will apply, provided:

- (1) The Customer's water is totally heated by an electric water heater or in combination with a solar hot water system that pre-heats water that is piped into an existing electric water heater that meets the Authority's specifications, and
- (2) The Customer is recorded on the Authority's books at that service location as of January 26, 1983, and
- (3) The Customer did not terminate service at that location or remove the electric water heater.

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	\$1.650	\$1.650
<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 @	\$. <u>04420194</u>	\$. <u>04420194</u>
Over 125 kWh @	\$. <u>04420194</u>	\$. <u>04420194</u>
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$. <u>08530605</u>	\$. <u>08530605</u>
Over 125 kWh @	\$. <u>24642213</u>	\$. <u>08660618</u>

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)

Rates and Charges per Meter (continued):

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
<u>Rate Codes 181 - Rate 2</u>		
Energy Charge per kWh		
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 @	\$. <u>06770429</u>	\$. <u>06770429</u>
Over 125 kWh @	\$. <u>06770429</u>	\$. <u>06770429</u>
Daylight Savings Time*		
10 a.m. to 8 p.m. Weekdays		
	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$. <u>06770429</u>	\$. <u>06770429</u>
Over 125 kWh @	\$. <u>43261078</u>	\$. <u>40290781</u>
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
<u>Rate Codes 182 - Rate 3</u>		
Energy Charge per kWh		
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 @	\$. <u>06770429</u>	\$. <u>06770429</u>
Over 125 kWh @	\$. <u>06770429</u>	\$. <u>05240276</u>
Daylight Savings Time*		
10 a.m. to 8 p.m. Weekdays		
	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$. <u>06770429</u>	\$. <u>06770429</u>
Over 125 kWh @	\$. <u>43271079</u>	\$. <u>05240276</u>

* See paragraph IV.A.10 "Daylight Savings Time" Leaf No. 99.

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)****Rates and Charges per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ **Power Supply Charge**, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

3. Minimum Charge - All Rate Codes

The minimum charge is the applicable Service Charge for each meter, plus Adjustments to Rates and Charges.

4. 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.

5. Term of Service

The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

6. Special Provisionsa) Space Heating

The Space Heating Energy Charge (Rate 182) in B.3 above will apply for the following heating applications, provided:

- (1) The size and design of the Customer's heating and heat pump equipment meets the Authority's specifications, and
- (2) The Customer submits a signed Application for this provision and a signed Certificate of insulation compliance, if it applies, and
- (3) The electric resistance heater or heat pump (fireplaces, coal and wood stoves are excluded) supplies all of the heating requirements of the building and is permanently connected.

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	\$.3600
Meter Charge per day	\$.1000	\$.1000
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		
Daylight Savings Time* 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u>	<u>Period 2</u>
	\$. 0655 <u>0407</u>	\$. 0514 <u>0263</u>
Daylight Savings Time* 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u>	<u>Period 4</u>
	\$. 2854 <u>2603</u>	\$. 0974 <u>0723</u>

* 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~~Power Supply Charge, Increases in Rates and Charges to Recover PILOT
 Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy
 Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue
 Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service
 Adjustment.

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 Supplemental 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	\$.3600
Energy Charge per kWh	\$.4136 <u>0888</u>	\$.0947 <u>0699</u>

VIII. SERVICE CLASSIFICATIONS (continued):**D. SERVICE CLASSIFICATION NO. 2 - General Service – Small (continued):****(Rate Code: 280)****Rates and Charges per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, Delivery Service Adjustment, and the Securitization Offset Charge.

5. Minimum Charge

The Minimum Charge is the Service Charge for each meter, plus Adjustments to Rates and Charges.

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. Terms 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 five (5) 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.

8. Special Provisionsa) Corrective Equipment Requirements

When the installation includes welders, x-rays, or other apparatus having a highly fluctuating or large instantaneous demand, the Customer shall provide batteries, rotating equipment, or other corrective equipment to reduce the inrush current to an amount acceptable to the Authority.

b) Two-Phase Service

Two-phase service is no longer available. Any Customer receiving two-phase service under this Service Classification will continue to receive the service until other arrangements are made.

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>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Meter Charge per day	\$.1000	\$.1000
Service Charge per day	\$.3600	\$.3600
Energy Charge per kWh		
Daylight Savings Time 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u>	<u>Period 2</u>
	\$. 0655 <u>0407</u>	\$. 0514 <u>0263</u>
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u>	<u>Period 4</u>
	\$. 2854 <u>2603</u>	\$. 0974 <u>0723</u>

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment~~
~~Rate~~Power Supply Charge, Increases in Rates and Charges to Recover PILOT
 Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy
 Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue
 Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service
 Adjustment.

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, 291)**

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>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$1.55	\$1.55
Demand Charge per kW of demand	\$11.95	\$10.74
Energy Charge per kWh	\$.05520304	\$.04030155

Primary Service

<u>Rate Code 281</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$1.55	\$1.55
Demand Charge per kW of demand	\$11.15	\$9.98
Energy Charge per kWh	\$.05460298	\$.03970149
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):**F. SERVICE CLASSIFICATION NO. 2-L - General Service – Large (continued):
(Rate Codes: 281, 283, 291)**

Demand Charge per Meter per Month
Percent of Demand Charges per kW in 3.a) above.

	June to September Inclusive	Remaining Months Inclusive
Secondary Service	167%	50%
Primary Service	167%	50%

For billing purposes, the Authority will establish the monthly demand for the period ending on the date the meter is read, and it will be the recorded demand.

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

d) 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 281 and whose accounts are under the school's name and, as such, are tax exempt, would also qualify for Rate 291.

4. Minimum Charge - All Rate Codes

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

5. Reconnection Charges - All Rate Codes

If the Authority reconnects service to a Customer at the same premises within twelve (12) months of termination of service to that Customer, the Authority will charge the Customer:

- The Service Charge and Demand Charge (See 3. above) the Customer would have paid if the meter had remained active with no power or energy used, and
- A Reconnection Charge

VIII. SERVICE CLASSIFICATIONS (continued):**F. SERVICE CLASSIFICATION NO. 2-L - General Service – Large (continued):****(Rate Codes: 281, 283, 291)****Special Provisions (continued):**

- (2) Customers will be transferred to Service Classification No. 2-MRP, Large General and Industrial Service with Multiple Rate Periods, when the monthly recorded demand:
 - (a) Was greater than 145 kW in any two consecutive months, in which case the transfer will take place within ninety (90) days after the summer billing period ends.
 - (b) The S.C. No. 2-MRP rate will go into effect on the day the meter is installed.
- d) Business Development Programs
 - (1) Empire Zone Program
 - (a) The Empire Zone Program expired on June 30, 2010. Customers on this program, prior to July 1, 2010, will continue to receive authorized rate discounts until their previously agreed upon term has expired.
 - (b) With the exception of the Calverton portion of the Suffolk County Empire Zone, Customers who qualify receive a 50% discount on their Base Rate Energy Charge per kWh and Winter (October through May) Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge.
 - (c) Qualifying customers within the Calverton portion of the Suffolk County Empire Zone receive a 6% discount on their Base Rate Energy Charge per kWh and Winter (October through May) Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge.
 - (2) Excelsior Jobs Program
 - (a) The Excelsior Jobs Program is intended to encourage business to expand or relocate to the Authority's Service Area.
 - (b) The Authority's discount is available to certified participants who increase their load by at least 25%, to a minimum of 7 kW within one year of Excelsior Jobs Program certification.
 - (c) Customers who qualify will pay \$0.0467 for their Base Rate Energy Charge per kWh for the additional energy associated with the incremental load subsequent to the ESD Approval Date. There will be no demand charges associated with the incremental load subsequent to the ESD Approval Date.

VIII. SERVICE CLASSIFICATIONS (continued):**F. SERVICE CLASSIFICATION NO. 2-L - General Service – Large (continued):****(Rate Codes: 281, 283, 291)****Special Provisions (continued):****(3) Manufacturing Competitiveness, and Business Incubation Programs**

(a) Customers who qualify after June 29, 2012 receive a 100% discount on their Base Rate Energy Charge per kWh. Participants that qualified before June 29, 2012 will continue to receive a 50% discount on their Base Rate Energy Charge per kWhs plus the \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, subject to pro-rata as noted in the next paragraph.

(b) The discounts apply to the first year of their participation in the Program and will decrease by one-fifth (1/5) each year after the first year until the Customers are billed at the rate's regular levels at the end of the fifth year.

e) Service for Religious Purposes, Supervised Community Residences, or Veteran's Organizations

Customers under this Service Classification who use electricity for religious purposes or for community residences, Veteran's Organizations as specified in Section 76 of the Public Service Law, may apply for a suitable residential service after a minimum term of one (1) year.

(1) The transferring Customer shall submit a new Application to the Authority before the transfer, and

(2) The transfer will take place at the time of the Customer's next meter reading.

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	\$1.43
Meter Charge per day	\$.2500

Rate Periods**

	1	2	3
	<u>Off-Peak</u> all year 11 p.m. to 7 a.m.	<u>On-Peak*</u> June - Sept. weekdays 12 noon to 8 p.m.	<u>Intermediate</u> all other hours
Demand Charge per kW Total of 3 Rate Periods	none	\$45.48	\$3.90
Energy Charge per kWh Total of 3 Rate Periods	\$.0273 <u>0025</u>	\$.0444 <u>0196</u>	\$.0412 <u>0164</u>
Minimum Demand Charge per Meter per kW per Rate Period	none	\$55.58	\$6.74

*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)

Rates and Charges per Meter per Month (continued):

Rate Code 282-(Primary)

Service Charge per day \$1.43

Meter Charge per day \$.7500

Rate Periods**

	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.	
Demand Charge per kW			
Total of 3 Rate Periods	none	\$43.23	\$3.74
Energy Charge per kWh			
Total of 3 Rate Periods	<u>\$.02470001</u>	<u>\$.03980150</u>	<u>\$.03740126</u>
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	\$52.91	\$6.44

* 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 Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

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):**G. SERVICE CLASSIFICATION NO. 2L - VMRP****Voluntary Large Demand Metered Service With Multiple Rate Periods (continued):****(Rate Codes: 282 and M282)****Special Provisions (continued):**d) Business Development Programs(1) Empire Zone Program

- (a) The Empire Zone Program expired on June 30, 2010. Customers on this program, prior to July 1, 2010, will continue to receive rate discounts until their previously agreed upon term has expired.
- (b) With the exception of the Calverton portion of the Suffolk County Empire Zone, customers who qualify receive a 50% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge.
- (c) Qualifying customers within the Calverton portion of the Suffolk County Empire Zone receive a 6% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge.

(2) Excelsior Jobs Program

- (a) The Excelsior Jobs Program is intended to encourage business to expand or relocate to the Authority's Service Area.
- (b) The Authority's discount is available to certified participants who increase their load by at least 25%, to a minimum of 7 kW within one year of Excelsior Jobs Program certification.
- (c) Customers who qualify will pay \$0.0467 for their Base Rate Energy Charge per kWh for the additional energy associated with the incremental load subsequent to the ESD Approval Date. There will be no demand charges associated with the incremental load subsequent to the ESD Approval Date.

(3) Manufacturing Competitiveness and Business Incubation Programs

- (a) Customers who qualify after June 29, 2012 receive a 100% discount on their Base Rate Energy Charges per kWh for Periods 1, 2, and 3 in the first year of their participation in the Program. Participants that qualified before June 29, 2012 will continue to receive a 50% discount on their Base Rate Energy Charge plus \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge, subject to pro-ration as noted in the next paragraph.
- (b) The discounts will decrease by one-fifth (1/5) each year after the first year until the Customers are billed at the rate's regular levels at the end of the fifth year.

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)

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:

d) 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	\$7.66	\$7.72	\$7.72
Meter Charge per day	\$2.50	\$6.50	\$6.50

Rate Periods**

	<u>1</u>	<u>2</u>	<u>3</u>
	Off-Peak all year midnight to 7 a.m.	On-Peak * June-Sept. except Sundays 10 a.m. 10 a.m. to 10 p.m.	Intermediate all other hours
<u>Demand Charge per kW</u>			
Secondary	none	\$22.44	\$5.34
Primary	none	\$19.26	\$4.72
Transmission	none	\$15.92	\$3.87

Energy Charge per kWh

Secondary	<u>\$.02940043</u>	<u>\$.05430295</u>
Primary	<u>\$.02720024</u>	<u>\$.05040256</u>
Transmission	<u>\$.02740023</u>	<u>\$.04870239</u>

Minimum Demand Charge

per Meter per kW per Rate Period			
Secondary	none	\$33.50	\$9.21
Primary	none	\$28.76	\$8.13
Transmission	none	\$23.79	\$6.68

*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)

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	\$7.66	\$7.72	\$7.72
Meter Charge per day	\$2.50	\$6.50	\$6.50
	<u>Rate Periods**</u>		
	1	2	3
	Off-Peak all year	On-Peak * June - Sept weekdays	Intermediate all other hours
	11 p.m. to 7 a.m.	12 noon to 8 p.m.	
<u>Demand Charge per kW</u>			
Secondary	none	\$43.50	\$4.35
Primary	none	\$39.05	\$3.90
Transmission	none	\$29.19	\$2.91
<u>Energy Charge per kWh</u>			
Secondary	\$.04150001	\$.04990194	
	\$.04650160		
Primary	\$.04000001	\$.04270179	
	\$.04030027		
Transmission	\$.04000001	\$.04020168	
	\$.03840026		
<u>Minimum Demand Charge</u> per Meter per kW per Rate Period			
Secondary	none	\$54.99	\$7.25
Primary	none	\$49.57	\$6.68
Transmission	none	\$36.88	\$5.06

* 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~~ Power Supply Charge. Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

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)10. Special Provisionsa) Corrective Equipment Requirements

When the installation includes welders, x-rays, or other apparatus having a highly fluctuating or large instantaneous demand, the Customer shall provide batteries, rotating equipment, or other corrective equipment to reduce the inrush current to an amount acceptable to the Authority.

b) Requirements for Service at 69,000 Volts or Higher

The Applicant shall provide and maintain voltage regulating equipment and circuit breakers complete with accessory equipment, using the procedures and schedules specified by the Authority.

c) Changes in Eligibility of Existing Accounts

If there is an Applicant for an existing account, but the Authority believes the Applicant's business activity will change the characteristics of the account's loads, the account will be considered a new account for Service Classification purposes.

d) Business Development Programs(1) Empire Zone Program

(a) The Empire Zone Program expired on June 30, 2010. Customers on this program, prior to July 1, 2010, will continue to receive rate discounts until their previously agreed upon term has expired.

(b) With the exception of the Calverton portion of the Suffolk County Empire Zone, Primary and Secondary Customers who qualify receive a 50% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment~~ RatePower Supply Charge.

(c) With the exception of the Calverton portion of the Suffolk County Empire Zone, Transmission Customers who qualify receive a 55% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment~~ RatePower Supply Charge.

(d) Qualifying Primary and Secondary customers within the Calverton portion of the Suffolk County Empire Zone receives a 6% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment~~ RatePower Supply Charge.

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)****Special Provisions (continued):**

- (e) Qualifying Transmission customers with the Calverton portion of the Suffolk County Empire Zone receive a 7% discount on their Energy Charges per kWh and Period 3 Demand Charges, but only for the additional energy and demand. This discount for the additional energy also applies to \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge.

(2) Excelsior Jobs Program

- (a) The Excelsior Jobs Program is intended to encourage business to expand or relocate the Authority's Service Area.
- (b) The Authority's discount is available to certified participants who increase their load by at least 25%, to a minimum of 145 kW within one year of Excelsior program certification.
- (c) Customers who qualify will pay \$0.0158 for their Base Rate Energy Charge per kWh for the additional energy associated with the incremental load subsequent to the ESD Approval Date. There will be no demand charges associated with the incremental load subsequent to the ESD Approval Date.

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)****Special Provisions (continued):****(3) Business Attraction/Expansion, Manufacturing Competitiveness, and Business Incubation Programs**

- (a) Customers who qualify after June 29, 2012 receive a 100% discount on their Base Rate Energy Charge per kWh for Periods 1, 2, and 3, in the first year of their participation in the Program. Participants that qualified before June 29, 2012 will continue to receive a 50% discount on their Base Rate Energy Charge per kWh plus \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost~~ Adjustment Rate Power Supply Charge, subject to pro-rata as noted in the paragraph below.
 - (b) The discounts will decrease by one-fifth (1/5) each year after the first year until the Customers are billed at the rate's regular levels at the end of the fifth year.
 - (c) Customers who qualify may apply for modified rate periods. The modified peak Period 2 hours are June through September, Monday through Friday, from 3 p.m. to 8 p.m., for Rate M284 and June through– September, Monday through Friday, from 3 p.m. to 10 p.m., for Rate M285. The hours June through September, Monday through Friday from 12 noon to 3 p.m., are included in the Intermediate period for Rate M284. The hours June through September, Monday through Friday, from 10 a.m. to 3 p.m. and Saturday from 10 a.m. to 10 p.m., are included in the Intermediate period for Rate M285.
- e) Choosing Rate Code 284 or Rate Code 285
- New Customers shall choose either Rate Code 284 or Rate Code 285 at the time of qualification of service.
- (1) Rate 284 Customers may choose to receive service under Rate 285.
 - (2) Rate 285 Customers will have one opportunity to transfer to Rate 284.
 - (3) Customers must request transfers between Rates 284 and 285 in writing, thirty (30) days before their Anniversary Date.
 - (4) Customers eligible for modified rating periods under Rate Code M284 and Rate Code M285 must follow the same rules as for Rate Code 284 and Rate Code 285 respectively.

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 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

\$6.40 per control mechanism per month.

~~\$3.13~~ 1.88 per incandescent signal face per month.

~~\$2.76~~ 2.62 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~~ RatePower Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, the Securitization Offset Charge, and the Delivery Service Adjustment.

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

Type Luminaire	Approximate Lumens	Total Watts	Monthly Rates
Area Light	7,000	200	\$13.55 11.81
Area Light	21,000	455	\$20.69 16.73
Flood Light	21,000	455	\$22.22 18.26
Flood Light	52,000	1,100	\$47.89 38.32

b) Rates per Incandescent Facility per Month

Type Luminaire	Approximate Lumens	Total Watts	Monthly Rates
Flood Light	100 c.p.	92	\$5.55 4.83
Flood Light	250 c.p.	189	\$40.18 8.23

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, the Securitization Offset Charge, and the Delivery Service Adjustment.

VIII. SERVICE CLASSIFICATIONS (continued):**L. 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	\$18.11 <u>17.20</u>
High Pressure Sodium*	Flood Light	27,500	309	\$23.69 <u>21.08</u>
High Pressure Sodium*	Flood Light	50,000	476	\$32.02 <u>28.00</u>
Metal Halide*	Flood Light	36,000	453	\$32.32 <u>28.49</u>
Metal Halide*	Flood Light	110,000	1093	\$40.21 <u>30.97</u>
High Pressure Sodium	Full Cut-off	4,000	63	\$23.91 <u>23.38</u>
High Pressure Sodium	Full Cut-off	6,300	91	\$24.22 <u>23.45</u>
High Pressure Sodium	Full Cut-off	9,500	128	\$24.85 <u>23.77</u>

*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)**Rates and Charges (continued):**

<u>Lamp Type</u>	<u>Type Luminaire</u>	<u>Approximate Lumens</u>	<u>Total Watts</u>	<u>Monthly Rates</u>
High Pressure Sodium	Full Cut-off	28,500	305	\$29.20 <u>26.62</u>
High Pressure Sodium	Full Cut-off	50,000	455	\$38.14 <u>34.29</u>
Metal Halide	Full Cut-off	20,500	288	\$29.20 <u>26.77</u>
Metal Halide	Full Cut-off	36,000	455	\$38.14 <u>34.29</u>

b) The charge for Additional Overhead Secondary Cable and Poles dedicated to the Customer is \$13.41 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~~Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, the Securitization Offset Charge, and the Delivery Service Adjustment.

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.

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 \$.~~0629-0381~~ per kWh, for the monthly kWhs of unmetered lighting service specified in this Tariff.
- b) The Underground Connection Charge per Month is \$4.72 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~~Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Delivery Service Adjustment, and the Securitization Offset Charge.

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):

P. SERVICE CLASSIFICATION NO. 12

Back-Up and Supplemental Service (continued):

(Rate Codes: 680, 681)

Rates and Charges for Backup and Supplemental Service (continued):

e) Energy Charges per kWh (Rate Code 681)

Energy Charges per kWh for both Back-Up and Supplemental Service

	<u>Rate Periods*</u>		
	1	2	3
	Midnight to 7 a.m. all year	June - Sept., except Sunday, 10 a.m. to 10 p.m.	All remaining hours
Secondary	\$.02630015	\$.24051857	\$.05150267
Primary:	\$.02550007	\$.20421794	\$.04950247
Transmission	\$.02430001	\$.49641716	\$.04660218

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

f) Reactive Power Charge

Net Reactive Demand Charge per kvar = \$.27 for primary and transmission voltage services only, and applies from 7 a.m. through 11 p.m.

VIII. SERVICE CLASSIFICATIONS (continued):**P. SERVICE CLASSIFICATION NO. 12****Back-Up and Supplemental Service (continued):****(Rate Codes: 680, 681)****Rates and Charges for Backup and Supplemental Service (continued):**g) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ **Power Supply Charge**, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Delivery Service Adjustment and the Securitization Offset Charge. The Revenue Decoupling Mechanism does not apply.

h) Surcharge for Exceeding the Contract Demand for Back-Up and Supplemental Service

- (1) If the monthly maximum demand supplied for Back-Up and Supplemental Service is greater than the Contract Demand by 10 percent (10%) or less, the Authority will apply a surcharge equal to twelve (12) times the difference in monthly Rate II Demand Charges to that month's bill, or
- (2) If the monthly capacity supplied is greater than the Contract Demand by more than 10 percent (10%), the Authority will apply a surcharge equal to twenty-four (24) times the difference in monthly Rate II Demand Charges to that month's bill, and
- (3) In both 1 and 2, the Authority will increase the Contract Demand to the highest average kilowatts measured in a 15-minute interval during any month (maximum monthly demand).

6. Interconnection Charges

Interconnection Charges are for costs, not covered elsewhere, that are more than what the Authority's ordinary costs would have been to supply the Customer's electrical needs under a suitable Service Classification. The Customer shall pay the Authority the Interconnection Charges in full when the extra costs arise. The Authority will also charge an application fee of \$350 which may be applied to the costs of interconnection.

- a) The application fee will be returned to Customers that are participating in net metering to the extent it is not used to cover the cost of interconnection.
- b) Customers that are not participating in net metering will not be entitled to the return of any portion of their application fee, even to the extent it is not used to cover the cost of interconnection.
- c) The application fee will not be returned to Customers that withdraw their application or otherwise do not complete their interconnection agreement.

VIII. SERVICE CLASSIFICATIONS (continued):**Q. SERVICE CLASSIFICATION NO. 13****Negotiated Rate Service for Large Commercial Customers (continued):**
(Rate Codes: 278)5. Rates

- a) The specific charges for each Customer's service will be stated in the Electric Service Agreement, and
- b) The minimum rate will allow the Authority to recover all of its additional costs, plus contribute at least one (1) cent per kilowatt-hour to fixed costs.
- c) The specific charges applicable to the Brookhaven Laboratories receiving service from the New York Power Authority pursuant to a "sale for resale" agreement may be set equal to the cost of the power supply agreement plus a charge equivalent to the wholesale transmission rate for delivery of power, as the rate may change from time to time.

6. Adjustments to Rates and Charges

Except as stated in 5.c) above, each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ **Power Supply Charge**, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor and the Securitization Offset Charge. However, the bill will not be adjusted for the Delivery Service Adjustment or the Revenue Decoupling Mechanism.

7. Terms of Payment

- a) The Customer shall pay the balance due in cash, including checks and money orders, or through an acceptable money-transfer process, on receiving the bill.
- b) Late payments shall be subject to Late Payment Charges.

8. Term of Service

The Term of Service shall be negotiated as part of the Electric Service Agreement and shall be no greater than 7 years, except for Traction Power Service to the Long Island Rail Road, which may extend for a longer term.

9. Special Provisions

- a) Before entering into an Electric Service Agreement:
 - (1) All Applicants are required to complete to the Authority's satisfaction the application for service for this Service Classification.
 - (2) Existing Attraction and Retention Applicants are required to demonstrate to the Authority's satisfaction that their other energy sources or the actions they are considering are realistic alternatives to the continued purchase of the Authority's electric power at the regular rates for all or part of their load.

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 and Small General Service Time-Differentiated Pricing

Residential and Small General Service (rate codes 280 and 288) 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	\$.3600	\$.3600
Meter Charge per day	\$.1000	\$.1000
	<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	\$. 06550407	\$. 05140263
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	\$. 42063958	\$. 09740723

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~~ RatePower Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge and the Delivery Service Adjustment.

c) Minimum Charge

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

d) Maximum Charge

For the first 12 months of participation under these rates, 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.

VIII. SERVICE CLASSIFICATIONS (continued):**S. SERVICE CLASSIFICATION NO. 16- AMI
Advanced Metering Initiative Pilot Service (continued):
(Rate Codes: M188, M288, M282, M284, M285)**5. Non-Residential Time-Differentiated Pricing

Non-Residential customers may choose to sign up for the Commercial Modified Time-Differentiated Pricing Program.

- a) Non-Residential customers participating in the Commercial Modified Time-Differentiated Pricing program will be eligible to take service under Service Classification Nos. 2L-VMRP or 2-MRP utilizing the modified rating periods as described on Leaf Nos. 212, 213, 226 and 227, depending on the size of the participant's load. All the terms and conditions will apply as described in the above stated Service Classifications.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, Delivery Service Adjustment and the Securitization Offset Charge.

c) 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.

6. Special Provisionsa) Exit Provisions

- (1) A participant may return to its previous rate at any time with forfeiture of payments, incentives or other specified benefits as may be stipulated in the agreement between the Authority and participants. In this situation, either:
- (a) The participant's billing will be adjusted to the beginning of their most recent anniversary date, or
- (b) If the participant's billing is for an entire twelve (12) month period (based on their anniversary date); the billing will not be adjusted.
- (2) The Authority may return a participant to their previous rate, and make the adjustments to the customer's billing as stated above, if they do not maintain their account in good standing.

IX. Long Island Choice Program (continued):**B. SERVICE CLASSIFICATION NO. 14 ESCO and DRC Services (continued):****(Rate Codes: 390)****Rates, Charges and Credits per Month (continued):**

- (5) Meter Reading Historical Information: After obtaining appropriate authorization from the Customer, and subject to the availability of such data from the Authority, ESCOs or DRCs may request up to twenty-four (24) months of monthly or bi-monthly historical meter reading information without charge. Information for historical periods beyond the twenty-four (24) months, and for fifteen (15) minute interval data covering any historical period, will be provided, if available, at a charge of ten dollars (\$10.00) for each meter reading period's data request. (See Leaf No. 107B, C.9.a)

Meter Reading Historical Information available to ESCOs and DRCs will be made available directly to Customers upon their request on the same terms.

a) Adjustment to Rates and Charges

- (1) Each ESCO's or DRC's bill from the Authority will be adjusted by: (1) the result of the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge, minus \$0.0392 per kWh, multiplied by the Customer's metered consumption, and (2) the Increase in Rates and Charges to Recover PILOT payments.
- (2) Miscellaneous Charges on each ESCO's or DRC's bill from the Authority will also be adjusted for the NYS Assessment, except that the NYS Assessment does not apply to the ~~Fuel and Purchased Power Cost Adjustment Rate~~ Power Supply Charge or the Bill Credit Adjustment billed to ESCOs or DRCs.
- (3) The Distributed Energy Resources Cost Recovery Rate, and the Shoreham Property Tax Settlement Rider do not apply to the rates, charges or credits in this Service Classification.

IX. Long Island Choice Program (continued):**C. ADJUSTMENTS TO RATES AND CHARGES FOR PARTICIPATING CUSTOMERS
(continued):**

2. The Increases in Rates and Charges to Recover PILOT Payments will be applied to all of the charges on the Participating Customer's bill.
3. \$0.0392 per kWh of the ~~Fuel and Purchased Power Cost Adjustment~~ Power Supply Charge will apply to the Participating Customers.
4. The Shoreham Property Tax Settlement Rider do not apply to the charges and credits contained in C.1 and C.2 above. The Shoreham Property Tax Settlement Rider will be calculated as if the Participating Customer was receiving Bundled Service from the Authority.
5. For Participating Customers, the discounts under LIPA's Business Development programs will be calculated pursuant to the provisions and energy rates applicable to Bundled Service, as if the Customer were taking Bundled Service.
6. Long Island Choice Customers are subject to the Delivery Service Adjustment and the Revenue Decoupling Mechanism according to their base rate Service Classification.
7. The NYS Assessment charge will be calculated as if the Participating Customer was receiving Bundled Service from the Authority. The New York State Assessment charge will be applied before the Increases in Rates and Charges to Recover PILOT payments to all of the actual or estimated charges on the Participating Customer's bill.
8. The Rates and Charges for Participating Customers will be increased by the Distributed Energy Resources Cost Recovery Rate to recover Distributed Energy Resource program costs, pursuant to their prevailing Rate Code for Bundled Service.
9. Each Customer's bill will be adjusted for the Securitization Offset Charge.
10. Each Customer's bill will be adjusted for the Securitization Charge.
11. Special Provisions

- a) Choice of Suppliers

Customers shall choose an ESCO to act as their agent from a list of ESCOs licensed by the Authority.

- 1) Customers shall select only one ESCO at a time unless the Customer has multiple eligible accounts, in which case the Customer may select a different ESCO for each account.
- 2) Customers may switch ESCOs or return to the Authority's Bundled Service on the first day of any month, after providing the Authority with not less than ten (10) calendar days' notice before that date. Customers shall pay the applicable administrative charge, as stated in A.5.b) above.
- 3) Customers who return to the Authority's Bundled Service shall pay the same rates that are applicable to Customers that never participated in the LI Choice Program. Any notification requirements or charges for terminating a contract between a Customer and an ESCO remain the responsibility of the Customer.