

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

The Long Island Power Authority (the "Authority") staff ("Staff") proposes to modify the Authority's Tariff for Electric Service (the "Tariff") effective January 1, 2019 (1) to implement rate adjustments as determined through the Authority's annual budget process and (2) to improve the methodology for estimating the forward-looking component of the Revenue Decoupling Mechanism ("RDM").

Background:

Annual Budget and Rate Process. Pursuant to the Authority's annual budget process, a proposed budget is published each year in early November, the publication of which is followed shortly thereafter by budget workshops with the Authority's Board and public comment hearings held in Nassau and Suffolk counties in mid-November, leading to the Board's establishment of the annual budget for the coming year at their December meeting.

Authority to Set Electric Rates. The Authority was created by the State Legislature pursuant to the Long Island Power Authority Act, Title 1 A of Article 5 (§ 1020 et seq.) of the New York Public Authorities Law, as amended, including as amended by certain provisions of the LIPA Reform Act. The Authority is empowered under its enabling statute to set rates for electric service in the Service Area. Under the LIPA Reform Act, the Authority and PSEG Long Island were required to submit to the New York Department of Public Service ("DPS") a three-year rate proposal for rates and charges to take effect on or after January 1, 2016. After the 2016-2018 period (the "Three Year Rate Plan"), the Authority and PSEG Long Island are required to submit a proposed rate increase for DPS review if it would increase the rates and charges by an amount that would increase the Authority's annual revenues by more than 2.5% of the prior year's total annual revenues.

Revenue Decoupling Mechanism ("RDM"). In March 2015, the Authority adopted a "Revenue Decoupling Mechanism," which functions by comparing actual revenues with revenues authorized in the approved budget, and crediting (or collecting) any differences due to (or from) customers in the following year. It is intended to cover all sources of variances in delivery service revenues including, among other things, any net lost revenues attributable to the implementation of energy efficiency or net metering programs, any revenue variances (positive or negative) caused by weather patterns, and revenue variances (positive or negative) that result from changes in economic conditions.

In addition to recovering the variance between the prior year's budgeted and actual revenues, the RDM also recovers an estimate of such variance for the coming year (the "forward-looking component"). Under the current methodology, the forward-looking component is estimated based on the prior year's actual variance. This method produces reasonable estimates if the variance between budgeted and actual revenues remains similar from year to year. Having moved past the time period covered by the Three Year Rate Plan, however, the Authority intends to update the sales forecast used to set rates. Using an updated sales forecast to set rates typically results in a smaller variance because more recent information is available (producing a more accurate forecast). As a result, the forward-looking component of the RDM generally is not needed in any year in which an updated sales forecast is used to calculate rates and failure to recognize this could result in greater than necessary RDM revenue collection in the upcoming year.

Proposal:

Annual Budget and Rate Update. Authority Staff proposes to modify the Tariff for Electric Service to implement rate adjustments as determined through the Authority's annual budget process. Consistent with the Authority's annual budget process, a proposed budget will be published in early November, 2018, in advance of the budget workshop for the Authority's Board, which will be held on November 14th, and public comment hearings, which will be held in Nassau and Suffolk counties on November 16th. The resulting rate adjustments will increase the annual aggregate delivery revenues of the Authority

by an amount not to exceed two and one-half percent and will be effectuated through a pro rata increase to all Service Classifications.

Revenue Decoupling Mechanism. As described in the background section above, the forward-looking component of the RDM generally is not needed in any year in which an updated sales forecast is used to calculate rates and could result in greater than necessary RDM revenue collection. For this reason, Staff recommends that the RDM be modified such that the forward-looking component may be suspended at the discretion of the Staff in any year in which an updated sales forecast is used to calculate rates.

Low Income Customer Discounts. Consistent with Public Service Commission guidance on low-income customer discounts,¹ the Board previously approved a phased increase in low-income customer discounts with the next phase to take effect on January 1, 2019. The change in discounts is shown in the table below. To further effectuate PSC guidance, staff also proposes, effective January 1, 2019, to set base rates to recover all Board-approved increases in low-income customer discounts, rather than recover such increases through the RDM as is presently done.²

	Low Income Discount Tiers	Electric Heating Discount per Month	Non-Electric Heating Discount per Month
Tier 1	Qualifying Low Income Customers or Customers that have received a HEAP benefit ³	\$20 → \$25	\$20 → \$25
Tier 2	Electric Heating Customers that have received a HEAP benefit plus 1 add-on	\$40 → \$46	N/A
Tier 3	Electric Heating Customers that have received a HEAP benefit plus 2 add-ons	\$60 → \$65	N/A
Tier 4	Department of Social Services Direct Voucher/Guaranteed Payment recipients of utility bill payment assistance	\$42 → \$48	\$42 → \$48

Financial Impacts:

Annual Budget and Rate Update. The proposed 2019 budget will be developed by Authority Staff pursuant to the Authority’s annual budget process, and subjected to review by the DPS, public comment, and approval by the Board of Trustees. The budget and resulting rate adjustments will increase annual aggregate delivery revenues of the authority by an amount not to exceed two and one-half percent.

Revenue Decoupling Mechanism. The RDM proposal will have no financial impact to the Authority or its customers. Revenues that would have been collected through the RDM’s forward-looking component in a year without a sales forecast update instead will be collected through base rates in any year in which

¹ See *Order Adopting Low Income Program Modifications and Directing Utility Filings, in Case 14-M-0565 (May 16, 2016)*.

² On July 25, 2018, the Board approved the next step in a phased plan to gradually implement the PSC Order, introducing a four-tiered system with escalating discount levels for customers in higher tiers representing greater need, in amounts that will limit the energy burden of the average participating household to 6.5% of household income. Staff proposes to implement the final step needed to bring customers’ energy burden to 6% by 2020.

³ Home Energy Assistance Program (“HEAP”) is a program administered by the State of New York that offers a standard payment to offset a participant’s annual heating costs. The HEAP program will increase this standard payment if the household’s gross income is below a set range and/or if the household contains a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled). These extra payment(s) are referred to as an add-on(s) to the standard HEAP payment.

the suspension of the forward-looking component is exercised. Accordingly, the 2019 RDM will be lowered and 2019 base rates will be raised by an equal amount through the exercise of this option.

Low Income Customer Discounts. The previously approved increase in discount amounts will result in an estimated financial impact of \$1.5 million and will be recovered from all customers. There are no financial impacts associated with the proposed change in recovery method.

Affected Tariff Leaves: 18, 38B 182L, 182M, 184, 185, 190, 191, 195, 197, 201, 205, 212, 213, 226, 227, 238, 241, 244, 245, 248, 262, 263, 264, and 279I.

Summary of Proposed Changes:

The Authority is proposing to implement rate adjustments as determined through the Authority's annual budget process and to improve the methodology for estimating the forward-looking component of the Revenue Decoupling Mechanism by allowing the forward-looking component to be suspended at the discretion of the Authority Staff in any year in which an updated sales forecast is used to calculate rates.

I. General Information (continued):

C. General Terms and Conditions (continued):

20. Low Income Program Discount

a) Customer Requirements and Eligibility

- (1) Customers served under Service Classifications No. 1 and Service Classification No.1 VMRP who provide documentation of enrollment in a qualifying program as listed in Section I.B (Qualifying Low Income Customer) and are eligible for a fixed discount on their bill.
- (2) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply.
- (3) Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for the discounted charges until the renewal process is successfully completed.
- (4) The Authority may in its sole discretion limit participation in Long Island Choice by Qualifying Low Income Customers (defined in Section I.B above) as needed for consistency with New York State policy as set forth in Orders of the Public Service Commission.

b) Discounts

- (1) The Tier 1 discount is available to all Qualifying Low Income Customers. Customers that have received a HEAP benefit plus one (1) add-on shall receive the Tier 2 discount. Customers that have received a HEAP benefit plus two (2) add-ons shall receive the Tier 3 discount. The Tier 4 discount is reserved for customers with Direct Voucher/Guaranteed Payment. HEAP recipients receive add-ons for households with a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled) and/or if the household's gross income meets HEAP Tier 1 income guideline.

Tier	Electric Heat (Rates 580 and 880)	Electric Non-Heat (Rates 180, 380 and 188)
1	\$.67 .83 per day	\$.67 .83 per day
2	\$1.33 1.53 per day	\$.67 .83 per day
3	\$2.00 2.17 per day	\$.67 .83 per day
4	\$1.40 1.60 per day	\$1.40 1.60 per day

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

- a) 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.
- b) 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.
- c) 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, starting on April 1st 2015. Delivery Service Revenues exclude adjustments to rates and charges which include: the 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.

- d) Revenues for the calendar year are set forth in the approved LIPA budget, and are revised each December for the upcoming calendar year.
- e) 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).

ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:**J. Revenue Decoupling Mechanism****3. Cost Recovery Period and Method**

a) For each Service Classification group subject to the Revenue Decoupling Mechanism:

- (1) The difference between actual booked Delivery Service Revenues and approved Delivery Service Revenues will be reviewed monthly and accrued for refund to or recovery from the applicable Service Classification groups.
- (2) After September 30th of each year, -the cumulative revenue variance as of September 30th will be identified for each of the four participating Service Classification groups, and the refund or surcharge amount that is due to or from each of the four participating Service Classification groups will be calculated.
- (3) For the calendar year beginning on January 1st, 2017 and each subsequent calendar year, the revenue variance estimated through December 31st of ~~that~~ **the coming** year will be calculated and included in the refund or surcharge amount applied to the participating Service Classification groups.
 - a. The revenue variance for the coming year will be calculated based on the actual variance from the prior twelve (12) months at the time the Revenue Decoupling Mechanism is calculated.
 - b. **In the event of a change to the Delivery Rates based on the implementation of a new sales forecast, which would mitigate the unknown variance in the coming year, subparagraph J.3.a).(3) may be fully or partially suspended as determined by the Authority.**
- (4) Any revenue variance associated with the actual booked Delivery Service Revenues of the non-participating customer load as noted in Section VII. J.2.f) and any revenue variance associated with actual booked revenues from low income discounts will be allocated proportionately to the four Service Classification groups participating in the Revenue Decoupling Mechanism based upon the actual booked Delivery Service Revenue for each Service Classification group during the twelve (12) months ending September 30th.
- (5) The refund or surcharge amount for each Service Classification group will be divided by the forecasted Delivery Service Revenues for each Service Classification group for the upcoming calendar year to develop the percentage of Delivery Service Revenues for each Service Classification group.
- (6) Beginning in 2017, the surcharges or refunds percentages will be applied, to the Delivery Service charges associated with each customer in the four participating Service Classification groups, for the 12-month periods beginning January 1st of each calendar year.

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>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$. 3600	\$. 3600
Energy Charge per kWh per month		
First 250 kWh @	\$. 0711	\$. 0711
Over 250 kWh @	\$. 0899	\$. 0711

<u>Rate Code 380 (Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$. 3600	\$. 3600
Energy Charge per kWh per month		
First 250 kWh @	\$. 0711	\$. 0711
Next 150 kWh @	\$. 0899	\$. 0711
Next 400 kWh @	\$. 0684	\$. 0572
Over 800 kWh @	\$. 0899	\$. 0711

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
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Over 400 kWh @	\$.0899	\$.0401
<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
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Next 400 kWh @	\$.0684	\$.0401
Over 800 kWh @	\$.0899	\$.0401
<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	\$.0124	\$.0124
10:00 p.m. to 10:00 a.m. (Standard Time)	\$.0138	\$.0138

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 @	\$.0220	\$.0220
Over 125 kWh @	\$.0220	\$.0220
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$.0675	\$.0675
Over 125 kWh @	\$.2452	\$.0688

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 @	\$.0482	\$.0482
Over 125 kWh @	\$.0482	\$.0482
Daylight Savings Time*		
10 a.m. to 8 p.m. Weekdays		
	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$.0482	\$.0482
Over 125 kWh @	\$.1204	\$.0867
	<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 @	\$.0485	\$.0485
Over 125 kWh @	\$.0485	\$.0314
Daylight Savings Time*		
10 a.m. to 8 p.m. Weekdays		
	<u>Period 3</u>	<u>Period 4</u>
First 125 kWh @	\$.0485	\$.0485
Over 125 kWh @	\$.1210	\$.0316

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

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
<u>Rate Codes 188</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
<u>Daylight Savings Time*</u> 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$. 0455	<u>Period 2</u> \$. 0296
<u>Daylight Savings Time*</u> 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$. 2880	<u>Period 4</u> \$. 0804

* 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 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	\$. 0976	\$. 0787

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		
	<u>Period 1</u>	<u>Period 2</u>
Daylight Savings Time 8 p.m. to 10 a.m., and Saturday and Sunday	\$.0455	\$.0296
	<u>Period 3</u>	<u>Period 4</u>
Daylight Savings Time 10 a.m. to 8 p.m. Weekdays	\$.2880	\$.0804

b) Adjustments to Rates and Charges

Each Customer’s bill will be adjusted for the 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	\$1.91	\$1.91
Demand Charge per kW of demand	\$14.54	\$13.33
Energy Charge per kWh	\$.0249	\$.0400

Primary Service

<u>Rate Code 281</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$1.91	\$1.91
Demand Charge per kW of demand	\$13.58	\$12.39
Energy Charge per kWh	\$.0243	\$.0094
Demand Charge per kvar of Reactive Demand	\$.27	\$.27

b) Rate Code 283 - Seasonal

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

VIII. SERVICE CLASSIFICATIONS (continued):

G. SERVICE CLASSIFICATION NO. 2L - VMRP

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

3. Rates and Charges per Meter per Month:

a) Schedule of Rates

The rates for this service code are set forth below.

Rate Code 282-(Secondary)*

Service Charge per day	\$1.57
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	\$49.43	\$4.24
Energy Charge per kWh Total of 3 Rate Periods	\$.0030	\$.0216	\$.0181
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):

F. 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):

<u>Rate Code 282-(Primary)</u>			
Service Charge per day			\$1.57
Meter Charge per day			\$.7500
	<u>Rate Periods**</u>		
	1	2	3
	<u>Off-Peak</u> all year	<u>On-Peak*</u> June - Sept. weekdays	<u>Intermediate</u> 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	\$ 46.98	\$ 4.06
Energy Charge per kWh			
Total of 3 Rate Periods	\$.0027	\$.0194	\$.0164
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 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):

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):

- a) The Authority may consider loads with a minimum estimated demand of 10,000 kW for service at 69,000 volts or higher.
 - b) The Primary Rate will also apply to Customers served at 23,000 or 33,000 volts.
 - c) The Transmission Rate will apply to Customers served at 69,000 volts or higher.
2. Rates and Charges per Meter per Month:

a) Schedule of Rates

The rates for the service code are set forth below.

<u>Rate Code 285</u>	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Service Charge per day	\$8.54	\$8.96	\$8.96
Meter Charge per day	\$2.50	\$6.50	\$6.50
	<u>Rate Periods**</u>		
	<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	\$24.39	\$5.81
Primary	none	\$20.93	\$5.13
Transmission	none	\$17.30	\$4.21
<u>Energy Charge per kWh</u>			
Secondary	\$.0050	\$.0323	\$.0206
Primary	\$.0029	\$.0281	\$.0181
Transmission	\$.0028	\$.0263	\$.0170
<u>Minimum Demand Charge</u> 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	\$8.54	\$8.96	\$8.96
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	\$47.27	\$4.73
Primary	none	\$42.44	\$4.24
Transmission	none	\$31.72	\$3.16
<u>Energy Charge per kWh</u>			
Secondary	\$.0001	\$.0276	\$.0178
Primary	\$.0001	\$.0198	\$.0036
Transmission	\$.0001	\$.0187	\$.0034
<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 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):**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

~~\$6.96~~ per control mechanism per month.
~~\$2.06~~ per incandescent signal face per month.
~~\$2.84~~ per LED signal face per month

b) Adjustment to Rates and Charges

Each Customer's bill will be adjusted for the 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.

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):

J. 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	\$12.86
Area Light	21,000	455	\$18.24
Flood Light	21,000	455	\$19.90
Flood Light	52,000	1,100	\$41.76

b) Rates per Incandescent Facility per Month

Type Luminaire	Approximate Lumens	Total Watts	Monthly Rates
Flood Light	100 c.p.	92	\$5.26
Flood Light	250 c.p.	189	\$8.97

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the 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):**M. SERVICE CLASSIFICATION NO. 7A****Outdoor Area Lighting - HPS (High Pressure Sodium) and MH (Metal Halide):
(Rate Codes: 781, 782)**1. Who Is Eligible

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

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

2. Character of Service

- d) Unmetered, single-phase, 60 hertz, alternating current supplied to Authority-owned, operated, and maintained lighting facilities, and
- e) Provided for approximately 4,090 hours per year (4,102 for a leap year), at suitable voltages chosen by the Authority, and
- f) 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	\$18.70
High Pressure Sodium*	Flood Light	27,500	309	\$22.94
High Pressure Sodium*	Flood Light	50,000	476	\$30.48
Metal Halide*	Flood Light	36,000	453	\$31.01
Metal Halide*	Flood Light	110,000	1093	\$33.78
High Pressure Sodium	Full Cut-off	4,000	63	\$25.42
High Pressure Sodium	Full Cut-off	6,300	91	\$25.49
High Pressure Sodium	Full Cut-off	9,500	128	\$25.85

*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	\$28.97
High Pressure Sodium	Full Cut-off	50,000	455	\$37.32
Metal Halide	Full Cut-off	20,500	288	\$29.12
Metal Halide	Full Cut-off	36,000	455	\$37.32

b) The charge for Additional Overhead Secondary Cable and Poles dedicated to the Customer is ~~\$14.57~~ per span per month.

c) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the 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

- e) 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
- f) Provided at suitable voltages chosen by the Authority.

3. Rates and Charges

- a) The Energy Charge per Lighting Facility per Month is \$.~~0417~~ per kWh, for the monthly kWhs of unmetered lighting service specified in this Tariff.
- b) The Underground Connection Charge per Month is \$~~3.13~~ 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 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)

4. Character of Service

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

5. Rates and Charges for Backup and Supplemental Service

- a) Customers requiring Supplemental Service will pay the rates and charges under another suitable Service Classification. In this case, the Customer will comply with the terms of this Service Classification including the interconnection provision, that are in addition to, and do not conflict with the requirements of the suitable Service Classification.
 - (1) Customers that receive their non-Authority supply from the New York Power Authority (NYPA) under the Recharge NY program will be designated as Rate Code 680.
 - (2) Customers that are a Qualifying Facility under Part 292 of Title 18 of the Code of Federal Regulations, and choose to pay the rates under this Service Classification will be designated as Rate Code 681.
 - (3) Customers that are eligible for net metering pursuant to § 66 – j or § 66 – l of the Public Service Law will be designated with the rate code associated with that suitable Service Classification.
 - (4) Any Back-up Service provided in conjunction with Supplemental Service will be included with the usage and demand billed at the specified rates for Supplemental Service.
- b) Service Charge per Installation per Month (Rate Code 681)
 - (1) The Service Charge applies to all Back-Up Service except when this service is combined with Supplemental Service.

Back-Up and Supplemental Service

Secondary Voltage (7 KW and less):	\$36.43
Secondary Voltage (Above 7 KW):	\$66.23
Primary Voltage:	\$109.29

VIII. SERVICE CLASSIFICATIONS (continued):

O. SERVICE CLASSIFICATION NO. 12

Back-Up and Supplemental Service (continued):

(Rate Codes: 680, 681)

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

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

Contract Demand Charge per KW per Month (Rate Code 681)

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

Back-Up and
Supplemental Service

Secondary:	\$2.76
Primary:	\$2.31

As-Used Demand Charge per KW per Month (Rate Code 681)

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

Back-Up and
Supplemental Service

Secondary:	\$2.76
Primary:	\$2.31

VIII. SERVICE CLASSIFICATIONS (continued):

O. SERVICE CLASSIFICATION NO. 12

Back-Up and Supplemental Service (continued):

(Rate Codes: 680, 681)

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

d) 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	\$.0020	\$.2022	\$.0293
Primary:	\$.0010	\$.4953	\$.0272
Transmission	\$.0001	\$.4868	\$.0244

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

e) 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):

S. SERVICE CLASSIFICATION NO. 16- AMI

Advanced Metering Initiative Pilot Service (continued):

(Rate Codes: M188, M288)

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
	<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	\$.0469	\$.0469
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	\$.3342	\$.4188

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 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.

c) Minimum Charge

The Minimum Charge is the Service charge, plus Adjustments to Rates and Charges.
(1)