

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

The Long Island Power Authority (the "Authority") staff proposes to revise the Tariff for Electric Service to include the details of an Advanced Metering Infrastructure ("AMI") equipped smart meter removal fee ("One Time Meter Removal Fee") and future manual meter reading fee ("AMI Smart Meter Daily Opt-Out Fee") associated with the PSEG Long Island smart meter full deployment project.

Background:

PSEG Long Island began deploying AMI equipped smart meters as part of PSEG Long Island's 2017 Utility 2.0 plan and has filed a 2018 Utility 2.0 plan¹ featuring a proposal for full service-territory-wide smart meter deployment to all customer classes by 2023.

One of the primary goals of the smart meter deployment project is to provide the foundation for New York State's comprehensive energy strategy, Reforming the Energy Vision ("REV"). Consistent with REV, full deployment of smart meters will empower PSEG Long Island customers to make more informed energy choices, enable the development of new energy products and services, and advance the Authority's mission to provide clean, reliable, and affordable electric service.

As described in full in the 2018 Utility 2.0 Plan Update and as demonstrated by many utilities, full-scale deployment of smart meters offers several additional benefits: it improves customer satisfaction, increases energy efficiency, drives operational excellence, and reduces costs. Full deployment of smart meters will allow PSEG Long Island to align with utility best practices and leverage PSEG Long Island's significant AMI experience to advance all of these objectives.

Further, smart meters will assist with LIPA's mission to enable clean, reliable, and affordable electric service for customers.

- **Clean.** AMI provides the technological underpinning for innovative energy efficiency programs and supports a greater penetration of DER to help maintain a clean environment.
- **Reliable.** AMI is proven at many utilities to improve outage management and with advanced analytics, prevent outages.
- **Affordable.** AMI reduces operational costs in meter reading and services and provides capabilities for improvements to business management and electric grid operations, resulting in lower cost of service

¹ Matter: 14-01299 In the Matter of PSEG-LI Utility 2.0 Long Range Plan. *Utility 2.0 Long Range Plan 2018 Annual Update* (filed June 29, 2018).

Proposal:

In order to successfully deploy smart meters throughout the service territory, the Authority is requesting to update the Tariff for Electric Service to include a (1) meter removal fee for Residential customers billed under Service Classification I who initially accept installation of a smart meter and subsequently request post-installation removal. (2) Identify that beginning on January 1, 2023, customers who have opted-out of receiving an AMI equipped smart meter will incur a daily opt-out fee (“AMI Smart Meter Daily Opt-Out Fee”) to recover the Authority’s cost to manually read those meters.

With the following exceptions, residential customers billed on Service Classification I will have the ability to opt-out of receiving a smart meter during the full-scale deployment period, at no charge, by notifying PSEG Long Island. The exceptions are that residential customers who participate in net metering, time-of-use rates, or a retail choice program (Long Island Choice and Green Choice) are ineligible to opt-out from smart meter installation. All commercial customers are ineligible to opt-out.

Customers will receive general media coverage and announcements throughout the implementation of AMI and will be able to opt-out at any time prior to meter installation at no costs. Specifically each customer will be notified:

- At least 45 days before meter installation, customers will receive a welcome letter informing them that PSEG Long Island will be changing their meter.
 - They also will receive information on how to opt-out should they choose not to receive a smart meter.
 - The letter will also identify PSEG Long Island’s intention to implement a monthly manual meter reading fee of approximately \$9.19 for non-AMI (“non-communicating”) meters after January 1st 2023.
- At least 14 days before meter installation, customers will receive a reminder call.
- At least 7 days before meter installation, customers will receive a welcome kit.

If no response is received and no objection is raised by the customer at the time of installation, the smart meter will be installed. If a residential customer does not object to installation of a smart meter and later requests removal of the meter, Staff proposes that a one-time meter removal fee (“One Time Meter Removal Fee”) of \$110.61 be charged for removal of the smart meter and replacement with a non-communicating meter.

The proposed meter removal fee is consistent with the fees charged by other utilities in New York State and throughout the country in their smart meter deployment plans. Currently, Consolidated Edison, Orange & Rockland, Central Hudson and Niagara Mohawk all include meter removal fees in their tariffs.

After complete saturation of AMI equipped smart meters, which is anticipated to occur by December of 2022, customers who have opted-out of having an AMI equipped smart meter installed will be subject to pay the AMI Smart Meter Daily Opt-Out Fee beginning on January 1, 2023. Staff proposes this fee be approximately \$9.19 per month and will be calculated based on the actual cost of reading the meter on a monthly basis.

The One Time Meter Removal Fee alleviates unnecessary expense on all rate payers for the additional cost associated with installing and then removing and re-installing a non-communicating meter for those customers who do not object to initial installation of a smart meter and subsequently request removal. The AMI Smart Meter Daily Opt-Out Fee alleviates the unnecessary expense on all rate payers for the additional costs associated with manual monthly meter reads.

The One Time Meter Removal Fee and the AMI Smart Meter Daily Opt-Out Fee will be posted in the “Statement of AMI Smart Meter Fees (AMI)” on the Authority’s website to be updated as needed based on the actual costs of removing a AMI meter and the actual cost of manually reading non-AMI meters.

Financial Impacts: No financial impacts are expected to result from this proposal. The One Time Meter Removal Fee is designed to recover the costs associated with replacing a customer’s smart meter with a non-communicating meter and the AMI Smart Meter Daily Opt-Out Fee is designed to recover the costs associated with a manual monthly meter read.

Affected Tariff Leaf: 6B, 91, and 107B

Affected Statements: New Statement: AMI Smart Meter Fees

Summary of Proposed Changes:

If a residential customer does not object to initial installation of a smart meter and later requests removal and replacement with a non-communicating meter, Staff proposes charging a one-time fee of \$110.61. After January 1st, 2023 any residential customers that have a non-AMI meter will be subject to the AMI Smart Meter Daily Opt-Out Fee which is approximately \$9.19 per month.

ADDENDA

<u>Statement of:</u>	<u>See Leaf No.</u>
Bill Credit Adjustment for the Long Island Choice Program	299
Distribution Facility Charges	107
Energy and Peak Demand Losses	181
Distributed Energy Resources Cost Recovery Rate	182C
Feed-in Tariff Rates	255B
Power Supply Charge	168
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Market Energy Prices	253
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Shoreham Property Tax (SPT) Settlement Factors (Surcharge Factors)	172
Visual Benefits Assessment Rate	182F
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Delivery Service Adjustment	182O
Commercial System Relief Program Payments	326
Direct Load Control Program Payments	328
Distribution Load Relief Program Payments	348
<u>AMI Smart Meter Fees</u>	<u>107B</u>

III. Overhead and Underground Distribution of Electricity (continued):**E. Meters (continued):**3. Meter Testing

- a) The Authority will test meters if requested directly by the Customer.
- b) The Authority shall pay the cost of the testing.
- c) The Authority will perform the tests within sixty (60) days of the request, unless prevented by events it cannot control.

4. Types of Meters

The Authority will determine the type of meter installed.

5. Existing Customer without an AMI smart meter:

Effective January 1, 2019, Residential Service Classification No. 1 Customers (rates 180, 380, 480, 481, 580, 880), receiving service through a non-AMI equipped meter will be notified of replacement with an AMI equipped smart meter. With the following exceptions, residential Customers may opt-out of receiving the smart meter:

- a) Customers who participate in net metering;
- b) Retail choice program participants (Long Island Choice and Green Choice); and
- c) Residential Customers served under time-of-use service classifications (1-VMRP(S), and 1-VMRP(L)).

Commercial service classifications are ineligible to opt-out of smart meter installation.

The customer will receive communication from the Authority at least 45 days prior to the install date of the AMI equipped smart meter and may execute and submit an application to request that service be continued through a non-communicating meter.

Residential Service Classification No.1 Customers who do not object to installation of an AMI equipped smart meter and later request removal of the AMI equipped smart meter and replacement with a non-communicating meter will be subject to a meter removal fee as described in Section IV.C.11.

Beginning in January 1, 2023, customers who have opted out of receiving the AMI equipped smart meter will be charged a daily opt out service fee ("AMI Smart Meter Daily Opt-Out Fee") as described in Section IV.C.11.

IV. Billing Process and Payment of Bills (continued):**C. Charges for Miscellaneous Services (continued):****10. Meter Reading Historical Information:**

- a) Customers, ESCO's and DRC's may request and will be provided, if available, up to twenty-four (24) months of monthly or bi-monthly historical meter reading information without charge. Monthly or bi-monthly historical meter reading information for historical periods beyond the twenty-four (24) months will be provided, as available, for a charge of forty dollars (\$40.00) regardless of the number of months of information requested or provided. Hourly or fifteen (15) minute interval data covering any historical monthly period will be provided, if available, at a charge of ten dollars (\$10.00) for each meter reading period's requested data.
- b) Customers who request their remote AMI meter reading data to be provided to them on a monthly basis will individually enter into a negotiated price agreement with the Authority.

AMI customers can retrieve all available meter data from the Manager's Website at no charge. Where available AMI will be used to collect meter data and measure net electricity transactions.

11. Metering Related AMI Charges:

- a) Residential Service Classification No.1 Customers (rates 180, 380, 480, 481, 580, 880) who are eligible to opt-out from installation of a smart meter (see Section III.E.5) but did not opt-out until after installation will be subject to a one-time fee ("One Time Meter Removal Fee") as per the Statement of AMI Smart Meter Fees.
- b) Beginning January 1, 2023, customers who have opted out of receiving an AMI equipped smart meter will be subject to a daily opt-out fee ("AMI Smart Meter Daily Opt-Out Fee") as per the Statement of AMI Smart Meter Fees.

Long Island Power Authority

Statement of AMI Smart Meter Fees (AMI)

Applicable to Residential Service Classification No.1 Customers who have Opted Out of having an AMI equipped Smart Meter installed.

One Time Meter Removal Fee..... \$110.61

*AMI Smart Meter Daily Opt-Out Fee.....\$0.3063

*Note that this charge is currently not in effect.