Proposal Concerning Modifications to LIPA’s Tariff for Electric Service

Requested Action:

The Long Island Power Authority (“LIPA”) staff (“Staff”) proposes to modify the Authority’s Tariff for Electric Service (the “Tariff”) effective January 1, 2021 to adjust the Revenue Decoupling Mechanism (“RDM”) and the Delivery Service Adjustment (“DSA”) to mitigate future volatility.

Background:

The DSA is a rate mechanism to reconcile certain projections to actual costs after the end of each year. The DSA ensures that customers pay only the actual costs incurred to provide service in these specified cost categories rather than the higher or lower projections of these costs established at the time of a Rate Plan filing or annual rate updates. The cost elements subject to these updates and reconciliations include debt service costs (for variances in interest rates, capital expenditures, and bond refinancing savings), and storm restoration costs that exceed the annual budget. Each of these specified costs vary based on factors largely outside of the control of the utility, and only the specified cost categories are reconciled.

LIPA implemented an RDM on April 1, 2015. The use of an RDM is consistent with New York Public Service Commission (“PSC”) policy. It helps to achieve financial stability without the conflicting pressures created by the pursuit of energy efficiency and renewable goals that reduce electric sales and corresponding revenues until base rates are reset in the future. An RDM is designed to ensure that a distribution utility collects only its approved revenues for Delivery Service from customers: excess recoveries are refunded to customers and insufficient recoveries are collected in the following year.1 If the difference between actual and approved Delivery Service revenues is greater than a specified dollar amount, the utility has the authorization to make an interim RDM adjustment. RDMs are justified by the PSC as good regulatory policy2 because they eliminate or substantially reduce the linkage between sales and utility revenues and/or profits. By reducing the linkage between sales and revenues, an RDM removes the disincentive a utility has to promote energy conservation. It also compensates for the fact that existing delivery rate designs for New York’s electric utilities do not fully collect fixed costs through fixed charges and variable costs through variable charges, which often results in under-collection or over-collection of revenues as sales volumes vary.

On January 30, 2020, the World Health Organization designated the novel coronavirus (COVID-19) outbreak as a Public Health Emergency of International Concern. On March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York. This action authorized all State agencies to take appropriate action: (1) to assist local governments and individuals in containing, preparing for,

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1 Except for Central Hudson and Consolidated Edison, which reset their Revenue Decoupling Mechanisms semi-annually.  
2 See PSC Order dated April 20, 2007 in Case 03-E-0640, pages 6 and 7.
responding to and recovering from this State disaster emergency; (2) to protect state and local
property; and (3) to provide such other assistance as necessary to protect public health, welfare,
and safety. On March 18, 2020, the Governor issued Executive Order 202.6, ordering all
businesses in the State to implement telecommuting policies to the extent possible. On March 20,
2020, the Governor issued the “New York on PAUSE” Executive Order, closing all non-
essential businesses and banning all non-essential gatherings in the State.

On March 27, 2020, the LIPA Board of Trustees approved temporary tariff amendments to
suspend late payment charges, suspend reconnection fees, and extend the grace period for
customers to re-enroll in the low-income customer discount program due the current state of
emergency. Because of these actions, as of July 31, 2020 there has been an estimated loss of
revenue of $5.3 million dollars.

On May 20, 2020, the LIPA Board of Trustees approved several temporary emergency tariff
amendments allowing PSEG Long Island to: (1) ease the terms of deferred payment agreements,
(2) extend the eligibility to additional categories of nonresidential customers, (3) ease the terms
for security deposits for nonresidential customers, and (4) suspend certain requirements for
participation in the Distribution Load Relief Program and Commercial System Relief Program.

On June 24, 2020, the LIPA Board of Trustees approved a 60-day extension of the emergency
tariff revisions that were approved in March, which further suspended late payment charges and
reconnection fees, and extended the grace period for customers to re-enroll in the low-income
customer discount program.

LIPA’s customers have suffered great financial hardship since New York on PAUSE. Specifically, many small business customers had to shut their businesses down, with the
consequent loss of revenue to those business. This has also resulted in much lower electricity
sales to LIPA’s small business customer classes. Under existing Tariff language, this loss of
revenue would be recovered in 2021 through the existing RDM. However, a major increase in
the RDM rate would further burden this class of customers and potentially contribute to
precluding them from re-opening in the future.

COVID-19 has also caused PSEG Long Island and LIPA to make many changes to their day-to-
day operations to take additional precautions, resulting in additional expenses.

Pension and Other Post-Employment Benefits (OPEB) expense are contractual obligations
imposed on LIPA through the Amended and Restated Operations Services Agreement with
PSEG Long Island that exhibit characteristics similar to debt service costs and storm restoration
costs. They are difficult to forecast with certainty and vary as a result of factors that are outside
the control of the utility, such inflationary trends in medical costs and market volatility for
interest rates. Pension costs are paid each year to PSEG Long Island for deposit into their
pension trust to meet the future obligations to the current employees that are providing services
to LIPA. Similarly, LIPA makes contributions each year to its internally managed OPEB
account to pre-fund the future OPEB obligations to PSEG Long Island employees currently
providing services to LIPA. The amounts of the future obligation are complicated to estimate
and depend on the professional opinions of outside actuarial firms that prepare these complex
calculations and provide the best reasonable projections of future costs and trends. While the efforts of these actuarial firms are subject to external auditing controls, the estimated costs recognized each year in LIPA’s financial statements are still subject to significant variation each year which is hard to predict and significant in terms of allowing LIPA to satisfy its future obligations for pension and OPEB obligations. In making this proposal, LIPA Staff notes that the New York Public Service Commission has also recognized that pension and OPEB obligations are subject to volatility and for many years has included reconciliation mechanisms for the regulated electric utilities in the State.

Pension and OPEB obligations related to PSEG Long Island employees engaged in work on capital projects are not included for recovery through the DSA. Pension and OPEB obligations incurred for capital projects are included in the total cost of the capital expenditure and are recovered along with all other capital expenditures through a combination of available cash obtained through coverage and the issuance of new debt, rather than directly through customer rates. Since capital expenditures are funded on the basis of actual costs incurred, no true-up from budget estimates is required.

Proposal:

LIPA Staff proposes to modify the Tariff for Electric Service to limit the RDM rate to a maximum of 5% of delivery service revenues for any customer class and modify the DSA to allow for recovery of additional expenses directly related to the state of emergency.

By implementing a maximum 5% RDM rate for any customer class, LIPA will be able to mitigate high bill impacts. In addition, PSEG Long Island will determine if the loss of revenue is due to a decrease in customers, as opposed to reduced consumption by customers who remain on the system. If there is a decrease of more than 5% in the number of commercial customers in any rate class, then all other commercial classes will receive an allocation of the revenues lost due to the loss of those specific customers.

With respect to the DSA, LIPA Staff proposes to adjust the DSA to capture the additional expenditures related to Non-Storm Emergencies as defined and allowed for in the Amended and Restated Operating Services Agreement (OSA), net of any anticipated reimbursements from outside sources during a non-storm emergency event or condition. Should anticipated reimbursements not come to fruition they will be added to subsequent tracking periods. A non-storm emergency occurs when an event or condition, other than a Storm Event, that is beyond the reasonable control of LIPA takes place and the LIPA Board determines that certain non-budgeted expenditures are required in order for it to provide safe and reliable service. LIPA staff proposes incremental costs related to a non-storm state of emergency be recovered in the DSA, to the extent these costs are not reimbursable by the Federal Emergency Management Agency (FEMA).

LIPA Staff also proposes to adjust the DSA to capture the variances in the annual bad debt expense. Bad debt expense is beyond the control of LIPA, and in the event that the bad debt expense is different from the budget, this will be recovered in the DSA in future years.
LIPA Staff proposes to adjust the DSA to capture the additional variations in expenditures related to pensions and OPEBs from the amounts included in the annual budget. At the end of each calendar year, the actual audited cost for pensions and OPEBs recognized as operating expense will be compared to the amount approved by the Board in the annual budget and the variance will be included in the DSA for recovery in the following year. Pension costs related to operating expenses are included in LIPA’s revenue requirements and rates. These pension costs are estimated in accordance with GAAP by a third-party actuary. The estimated pension costs utilized to calculate revenue requirements and rates are based on reports received by the actuary. The estimated amount included in rates will be compared to the actual pension expenses experienced and the difference will be subject to recovery/refund through the DSA. Similarly, the amount of OPEB expense recovered through the DSA will be contributed to the OPEB account, in addition to the amount that was intended to be contributed in the approved budget. To the extent that the OPEB expense recovered through the DSA is negative, the annual contribution to the OPEB account will be reduced by that same amount.

Pension costs related to operations are included in LIPA’s revenue requirements and rates. OPEB obligations, on the other hand, are not currently recovered directly through revenue requirements. Rather, they are funded from cash that was included as coverage in the setting of revenue requirements and rates. This use of coverage dollars to meet OPEB obligation results in less available dollars to pay for capital expenditures and has a negative effect on the percentage of capital expenditures funded from new debt. To be more explicit, LIPA must borrow more debt to meet capital expenditures because a portion of its available cash is being used to meet its OPEB obligations. Staff’s proposal ameliorates this situation to some extent by obtaining additional cash from rates to the extent that the actual OPEB costs exceed the budget expectations. Staff is also exploring changes in its revenue requirements calculations to phase OPEB funding obligations into rates over several years, so that, in the future, all dollars earmarked as coverage can be used to offset capital expenditures or other cash requirements.

**Financial Impacts:**

The RDM 5% cap proposal will have no long-term financial impact to LIPA. Revenues that would have been collected through the current year’s RDM will either be deferred to future years or be shared among other classes in the same year. Customers will benefit from the cap financially, as this will reduce their current bill impacts.

The changes to the DSA are not anticipated to create a financial impact since our best information is our current budget amount. To the extent the budget amounts for bad debt expense, pensions or OPEBs is different from actuals, that variance will be used to adjust future recoveries. There are currently no anticipated amount for non-storm emergencies.

**Affected Tariff Leaves:** 182N, 182P, and 182Q. (Unchanged Leaves 182K, 182L, 182M, and 182O are attached for informational purposes only).
Summary of Proposed Changes:

LIPA Staff is proposing to implement changes for both the Revenue Decoupling Mechanism (RDM) and Delivery Service Adjustment (DSA). LIPA Staff proposes to limit the RDM recovery rate to 5% for any class to minimize the financial burden on customers in any one year. LIPA Staff also proposes to include non-storm emergency costs that are not reimbursed by FEMA, bad debt expense, PSEG Long Island pension expense and PSEG Long Island OPEB expense as a DSA trackable item.
VIII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:

J. Revenue Decoupling Mechanism

1. Purpose

The purpose of the Revenue Decoupling Mechanism is to recover approved Delivery Service Revenues from customers. Actual Delivery Service Revenues are reconciled to the approved Delivery Service Revenues through the Revenue Decoupling Mechanism for certain Service Classifications groups, as described below.

2. Definitions

For the purposes of the Revenue Decoupling Mechanism, the following Service Classification groups will apply.

a) Residential

(1) Service Classification No. 1 (Rate Codes: 180, 480, 481, 580)

(2) Service Classification No. 1-VMRP (Rate Codes: 181, 182, 184, 188)

(3) Service Classification No. 16-AMI (Rate Code M188)

b) Small Commercial

(1) Service Classification No. 2 (Rate Code 280)

(2) Service Classification No. 2-VMRP (Rate Code 288)

(3) Service Classification No. 16-AMI (Rate Code M288)

c) Large Commercial excluding mandatory demand metered service with multiple rate periods:

(1) Service Classification No. 2-L (Rate Codes 281, 283, 291)

(2) Service Classification No. 2L-VMRP (Rate Codes 282, M282)

d) Mandatory Large Demand Metered Service with Multiple Rate Periods

(1) Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)
ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:

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, 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.

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), 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 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.
ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:

J. Revenue Decoupling Mechanism
   Cost Recovery Period and Method (continued)

4. If at any time the balance due from or owed to customers exceeds $20 million, the Authority Staff may adjust collection or refund of Revenue Decoupling Mechanism amounts prior to the onset of the next annual Revenue Decoupling Mechanism collection/refund period.

5. If in any Recovery Period the balance due from the Residential Service Classification Group exceeds an RDM percentage of 5%, the Authority will cap such percentage rate at 5% and defer the remaining balance for recovery to future periods.

6. If in any Recovery Period the balance due from any Commercial Service Classification Group exceeds an RDM percentage of 5%, the Authority will cap such percentage rate to 5% and re-allocate the remaining balance or a portion of the remaining balance to other Commercial Service Classification Groups and/or defer the remaining balance or portion of the remaining balance to future periods, as explained below.

   a) If a Commercial Service Classification Group experienced a loss in the number of Customers equal to 5% or less from the budgeted number of Customers, the balance to be recovered that exceeds 5% will be deferred to future periods.

   b) If any Commercial Service Classification Group experienced a loss in the number of Customers of more than 5% and exceeds the cap of 5%, revenue due to the loss of budgeted customers will be allocated pro-rata between all the Commercial Service Classification Groups. Any allocated balance that cannot be recovered from a Commercial Service Classification Group to which it was allocated.

   c) The revenue that will be subject to a reallocation to other commercial classes will equal the difference between the average number of customers presented in the budget as compared to the actual number of customers during the tracking period, multiplied by the average revenue per customer during the tracking period.

4.7. Statement of Revenue Decoupling Mechanism

The Revenue Decoupling Mechanism percentage amount to be refunded or surcharged to Customers will be shown for each of the four participating Service Classification groups and the effective date on the Statement of Revenue Decoupling Mechanism. The Authority will file such Statement for each annual collection/refund period, and the Statement will be available at the Authority’s business offices.
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) 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.
K. Delivery Service Adjustment

Relevant Terms and Conditions: (continued)

(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).

(3) Non-Storm Emergency: Beginning January 2021, the incremental costs authorized by the Board of Trustees for Non-Storm Emergency Events as set forth in the LIPA amended and restated Operations Service Agreement (“OSA”), dated December 13, 2013, will be eligible for recovery. The recovery will be net of any anticipated reimbursements received from outside sources for that Non-Storm Emergency event or condition. Should the actual reimbursements vary from the anticipated reimbursements the difference will be added to subsequent tracking periods.

(4) Bad Debt Expense: Beginning January 2021, any variance of accrued bad debt expense from the amount in the approved LIPA budget will be eligible for recovery.

(5) Service Provider Pension and Other Post-Employment Benefits (OPEB) Expense: Beginning January 2021, any variance from the amount in the Approved Annual Budget for pension and OPEB expenses related to the Service Providers operations excluding Pension and OPEB allocated to Capital, Storms or Utility 2.0 as they are tracked separately will be eligible for recovery.

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 Debt Service Costs, Bad Debt Expense, and Service Provider pension and OPEB expense related to operations 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.
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 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.
VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS: (continued):

K. Delivery Service Adjustment
   Cost Recovery Period and Method: (continued)

   (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) Amounts to be recovered for the Non-Storm Emergency Events will be recovered in equal dollar installments over the three succeeding annual Cost Recovery Periods.

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 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.

   (3) To determine the Delivery Service Adjustment recovery or refund, the total Delivery Service Adjustment refund or recovery amount will be divided by the applicable forecasted Delivery Service Revenues for the Recovery Period to develop the Delivery Service Adjustment Percentage of Delivery Service Revenues.

   (4) The Delivery Service Adjustment will be included in each applicable customer’s bill in an amount equal to the customer’s delivery charges times the Delivery Service Adjustment Percentage of Delivery Service Revenues, rounded to the nearest cent, in each month of the Recovery Period.

   (5) Under or over recoveries of the Delivery Service Adjustment from prior Recovery Periods will be accrued at the end of each Recovery Period for refund or recovery through the Delivery Service Adjustment in a subsequent Recovery Period.

5. Statement of Delivery Service Adjustment

The calculation of the Delivery Service Adjustment Percentage of Delivery Service Revenues and the effective date will be shown on the Statement of Delivery Service Adjustment. The Authority will file such Statement annually, and the Statement will be available at the Authority’s business offices.