

## **Proposal Concerning Modifications to LIPA's Tariff for Electric Service**

### **Requested Action:**

LIPA staff (Staff) proposes to modify the Tariff for Electric Service for miscellaneous changes to (1) to clarify pole attachment fees, (2) to clarify application of the Service Initiation Charge (3) to update eligibility under Service Classification 7A, outdoor area lighting, and (4) to clarify that storm costs recovered in the Delivery Service Adjustments will be net of anticipated reimbursements from outside sources such as FEMA.

### **Proposal:**

Staff proposes changes to the Tariff for Electric Service as follows:

Pole Attachment Fee. Staff proposes to clarify that the pole attachment fee associated with customer-owned equipment served under Service Classification No. 10<sup>1</sup> that attach to LIPA owned poles is \$7.04. Staff also proposes to remove an unnecessary distinction between communications equipment and all other types of equipment. The purpose of these changes is to remove potential ambiguity as to the applicability of LIPA's pole attachment fees to specific types of attachments.

Service Initiation Charge. Staff proposes a modification to clarify that landlords who assume responsibility for electric service in a commercial space previously occupied by a tenant may be charged the Service Initiation Charge if the usage exceeds six (6) kWh per day. The purpose of this change is to remove ambiguity that previously existed in the Tariff. This process will review the energy usage on the account after a nonresidential account is transferred to a landlord for the period between the termination of the account by the prior tenant and the establishment of a new electric account. Should usage exceed six (6) kWh per day will incur the \$60 Service Initiation Charge in all cases where service or meter connections are not required.

Dusk to Dawn SC-7A. Following a request from the Town of Southampton, due to a local dark sky initiative, Staff proposes to update the tariff eligibility under Service Classification 7A to preclude customers in a district, at the request of a local government. The specific request from the Town of Southampton would preclude customers located in the unincorporated areas within the Town of Southampton from having lights offered under Service Classification 7A. Staff proposes to remove all existing lights on or before March 31, 2022.

Delivery Service Adjustment. Staff proposed to update the DSA Storm language to indicate that estimated anticipated reimbursements from FEMA and other governmental agencies will reduce the amount sought from our customers, with estimates reconciled to actuals in subsequent DSA periods when the final reimbursement amounts become known. This change will allow deferral of costs that are expected to be reimbursed.

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<sup>1</sup> Service Classification No. 10 which is 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.

## **Financial Impact**

### **Pole Attachment Fee**

The financial impact of updating the pole attachment fee by approximately 14% results in \$79,000 of additional annual revenue.

### **Service Initiation Charge**

There is no material financial impact from this change as the occurrence is minimal.

### **Dusk to Dawn SC-7A**

The removal of approximately 120 light fixtures under Service Classification 7A in the unincorporated areas located in the Town of Southampton will result in revenue loss of approximately \$58,000 based on 2020 annual revenue. The current full replacement of all non-LED lights was previously approved and is currently on going. Since, the cost to remove of the existing lighting fixtures has already been approved, there is no incremental cost to remove these lights.

### **Delivery Service Adjustment**

There is no financial impact of this proposal. This proposal will only modify the timing of the customer collection of funds reimbursed by FEMA and/or other governmental agencies.

## **Affected Tariff Leaves**

### **1. Clarify the language on pole attachment fee**

**Affected Tariff Leaf:** Leaf 106.

#### **Reason for Tariff Change**

To clarify existing policy.

### **2. Clarify the parameters for Service Initiation Charge**

**Affected Tariff Leaf:** 106A.

#### **Reason for Tariff Change**

To clarify existing policy.

### **3. Preclude Town of Southampton from Service Classification 7A (Dusk to Dawn)**

**Affected Tariff Leaf:** 6B, 244.

#### **Reason for Tariff Change**

The Town of Southampton due to a local dark sky initiative has requested that the LIPA remove the existing lights as well as preclude future installations of lights under Service Classification 7A.

**4. Clarify the language Delivery Service Adjustment**

**Affected Tariff Leaf:** Leaf 182O.

**Reason for Tariff Change**

To eliminate the need for Board Approval for the deferral of possible funding from governmental agencies.

**Summary of Proposed Changes:**

In summary, the proposed changes to LIPA's Tariff for Electric Service will (1) clarify pole attachment fees, (2) clarify application of the Service Initiation Charge (3) update eligibility under Service Classification 7A, outdoor area lighting, and (4) clarify that storm costs recovered in the Delivery Service Adjustments will be net of anticipated reimbursements from outside sources such as FEMA.

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**IV. Billing Process and Payment of Bills (continued):****C. Charges for Miscellaneous Services:**1. Pole Attachment

The Authority will provide rental space to CATV and telecommunications companies for the purpose of installing cables, wires, amplifiers and wireless equipment to specific Authority-owned poles, within an agreed area on the pole. A contract may be made between the Authority and each CATV or telecommunications company outlined in the "Definitions of Space Allocation on LIPA Distribution Poles" for attaching cables, wires, amplifiers and wireless equipment.

The annual charge for pole attachments to utility poles by cable television systems and other wire line ~~communications~~ systems that occupy the same space on the pole is \$13.62 per pole per year, plus the applicable amounts for payments in lieu of revenue taxes.

The annual charge for attachments of wireless ~~communications~~ facilities to utility poles and towers prior to January 1, 2020 are subject to negotiation on a case-by-case basis of a written agreement between the party seeking the attachment(s) and the Authority. ~~The~~ charge for attachments of wireless ~~communication~~ facilities to utility poles and towers located in Public Right-of-Way, authorized on or after January 1, 2020, is \$13.62 per foot times the number of feet on the pole occupied by the wireless equipment, per year, plus the applicable amounts for payments in lieu of revenue taxes. For each piece of wireless equipment attached, the occupied space measurement shall reflect the overall length of the equipment and mounting hardware plus six inches, rounded up to the next whole foot. The number of feet occupied for wireless communication facilities shall exclude conduits, risers, and electrical meters.

The annual charge ~~for~~ decorative, festival, ~~or~~ holiday attachments that are seasonal or temporary and for attachments under Service Classification No. 10 is \$7.04 per pole per year, plus the applicable amounts for payments in lieu of revenue taxes, which may be prorated on a daily basis for attachments that are in place for less than a year. The Authority may require that attachments be made pursuant to the terms of a written agreement with the Authority which permits attachment to utility poles and towers. Consistent with the Authority's written policy, the Authority may waive the pole attachment fee for temporary or seasonal attachments that support a patriotic, civic, or ceremonial purpose, or where the tangible value of the attachment is nominal to both parties.

2. Interest on Customer Deposits

The Authority will pay interest on Customer Deposits at the applicable annual rate specified on a Statement of Interest on Customer Deposits to be prepared and maintained on file by the Authority. The rate will be derived by subtracting a 1.75% administrative cost allowance from the current yield on "A" rated intermediate term municipal debt. The rate will be updated on January 1 of each year to reflect current market conditions.

3. No-Access Charge

The Authority's charge when it cannot gain access to the Customer's meter after attempts to do so will be:

- (a) \$25 per month for Residential accounts
- (b) \$100 per month for Nonresidential accounts

**IV. Billing Process and Payment of Bills (continued):****C. Charges for Miscellaneous Services (continued):**

4. Uncollectible Payment Handling Charge  
The Authority will charge the Customer a twenty dollar (\$20.00) handling charge plus applicable taxes and assessments. This handling charge includes any amount the Authority paid to its bank for handling the instrument if it receives a check or other negotiable financial instrument in payment for any bill, charge, or deposit that is not collectible, for any reason.
5. Late Payment Charge  
The Authority's charge for late payment of bills for the accounts of all customers as specified in Section IV. D. 4 will be one and one-half percent (1.5%) for each monthly billing period to all amounts billed, but for which the Authority has not received payment by the "Pay by" date on the bill, which will be not less than twenty (20) days after the date payment is due. Residential customers are not responsible for late payment charges on amounts billed, if the bill is subject to a pending complaint with the Department of Public Service or the Manager pursuant to Section VI. Of the Tariff, except that any such late payment charge may be imposed retroactively if the complaint is finally resolved in favor of the Authority. The Authority may suspend the imposition of Late Payment Charges in the event a state of emergency affecting the service territory is declared.
6. Field Collection Charge  
The Authority's "Field Collection Charge" will be fifty-nine dollars (\$59.00) (see Section V.B.11.d on Leaf No. 124). The "Field Collection Charge" will be applicable to Nonresidential Customers.
7. Reconnection Charge  
The Authority's "Reconnection Charge" will be eighty dollars (\$80) (See Section V.H.3 on leaf No. 156). The "Reconnection Charge" will be applicable to both Residential and Nonresidential Customers. The Authority may suspend the imposition of Reconnection Charges in the event a state of emergency affecting the service territory is declared.
8. Service Initiation Charge
  - a) The Service Initiation Charge will be applicable to Nonresidential Customers only. (See Section II.D.5.b on Leaf No. 49).
  - b) The Authority's charges to initiate service to Nonresidential Customers are:
    - (1) \$220.00 when the Authority has to perform a new service connection or reconnection, set or re-set a meter, or unlock the service equipment to energize the connection to a customer's premise.
    - (2) \$60.00 in all cases where service or meter connections are not required.
  - c) The "Service Initiation Charge" will not be applied to new customers who take service under Service Classification Nos. 5 – Traffic Signal Lighting, 7A – Outdoor Area Lighting – HPS (High Pressure Sodium) and MH (Metal Halide), 10 – Public Street and Highway Lighting Energy and Connection, Seasonal Rates (Rate Codes 283 and 293) and unmetered service under Rate Code 280.
  - d) The "Service Initiation Charge" will not be applied to an account transferred to a landlord for the time period between the termination of the account by the prior tenant and the establishment of a new electric account for a new tenant in the same location, with the following exceptions:-
    - (1) If the account's usage exceeds six (6) kWh per day in any subsequent billing period while in the landlord's name, the "Service Initiation Charge" of \$60 will apply.
    - (+)(2) If the conditions described in IV.C.8.b.exist, tThe Service Initiation Charge of \$220 will not be waived to landlords if the conditions in IV.C.8.b.(1) apply.

**VIII. SERVICE CLASSIFICATIONS (continued):**

**M. SERVICE CLASSIFICATION NO. 7A**

**Outdoor Area Lighting - HPS (High Pressure Sodium), MH (Metal Halide), and LED (Light Emitting Diode):**

**(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.
- c) Customers within a designated area at the request by a local government, will be ineligible for Service Classification 7A. The ineligible areas are listed on the Statement of Outdoor Area Lighting.

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 (HPS), metal halide (MH) and light emitting diode (LED) facilities.

3. Rates and Charges

a) 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>
HPS*	Area Light	6,400	108	\$22.90
HPS*	Flood Light	27,500	309	\$28.08
HPS*	Flood Light	50,000	476	\$37.32
MH*	Flood Light	36,000	453	\$37.96
MH*	Flood Light	110,000	1093	\$41.36
HPS**	Full Cut-off	4,000	63	\$31.11
HPS**	Full Cut-off	6,300	91	\$31.21
HPS	Full Cut-off	9,500	128	\$31.65

**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, 1-VTOU, 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. The recovery will be net of any anticipated reimbursements received from outside sources for Storm Events. Should the actual reimbursements vary from the anticipated reimbursements the difference will be added to subsequent tracking periods. 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. .



**LIPA Statement No. 1 – OAL**

**Long Island Power Authority**

**Statement of Outdoor Area Lighting**

Applicable to Customers

As set forth in the Tariff for Electric Service

The local areas listed below are precluded from Service Classification 7A of the Tariff for Electric Service.

<b>Local Area</b>	<b>Effective Date</b>
Unincorporated areas in Town of Southampton	March 31, 2022

Effective: March 31, 2022