

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

### **Requested Action:**

The Long Island Power Authority (LIPA) staff (Staff) proposes to modify LIPA's Tariff for Electric Service (the Tariff) to suspend daily service charges for customers affected by prolonged outages due to major storms and other emergency events, consistent with other New York utilities.

### **Background:**

In 2012, LIPA instituted several temporary billing and collection policies with respect to the recovery efforts resulting from Hurricane Sandy, some of which included: (1) waiving the daily service and meter charges for all customers for fourteen days, to reflect the period when service was being restored throughout the system; and (2) suspension of other billing related charges such as No Access Charges.

On November 18, 2013<sup>1</sup> in Case 13-M-0061, the New York Public Service Commission (Commission) issued its Order that set forth the new Statewide Policies regarding Customer Outage Credits and Other Consumer Protections Relating to Prolonged Outages. In the Order, the definition of a "Prolonged Outage" is as an outage resulting from an emergency in which electricity customers are out of service for a continuous period exceeding three days and in which the 16 NYCRR Part 105 regulations governing utility outage preparation and system restoration apply.

For any event resulting from an emergency in which electric customers are out of service for a period exceeding three days, utilities were Ordered to credit customer charges incurred during the period of the outage. The credits would apply to any customer the utility knows or reasonably believes was out of service for a period exceeding three days, as well as any customer that contacts the company and credibly claims they experienced an outage of such duration. The utilities were also Ordered to suspend all collection-related activities including terminations of service for non-payment for at least seven days.

For outages exceeding three days following an emergency, any residential or non-residential customer who notifies the utility and provides evidence that his/her financial circumstances have changed because of the event will have all collection-related activities including terminations of service for non-payment suspended for at least 14 days.

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<sup>1</sup> *In the Matter of Customer Outage Credit Policies and Other Consumer Protection Policies Relating to Prolonged Electric or Natural Gas Service Outages. November 18, 2013.*

**Proposal:**

Staff seeks to update the LIPA Tariff to adopt policies consistent with the Commission's Order issued November 18, 2013<sup>2</sup>, in Case 13-M-0061 as it applies to any future Prolonged Outages that may impact the LIPA service territory<sup>3</sup>.

In the event of a Prolonged Outage<sup>4</sup> where LIPA knows or reasonably believes that a customer was out of service for a period exceeding three calendar days, a credit for the daily service charge experienced during its outage will be applied to their account. The credit will be equal to the Daily Service Charge and Daily Meter Charge for the customer's Service Classification identified in the Tariff, multiplied by the number of calendar days the customer experienced an outage. A calendar day means that any portion of the day beginning or ending at midnight is counted as a full day.

In addition to credits associated with a Prolonged Outage, Staff also proposes to adopt additional policies related to collection activities in the event of a Prolonged Outage, which include the following:

- All collection-related activities including terminations of service for non-payment (with the exception of issuance of service termination notices and assessment of security deposits) will be suspended for customers that LIPA knows or reasonably believes experienced a Prolonged Outage. The suspension will last for a minimum of seven calendar days from the beginning of a Prolonged Outage.
- All collection-related activities including terminations of service for non-payment (with the exception of issuance of service termination notices and assessment of security deposits) will be suspended for a minimum of 14 days from the beginning of a Prolonged Outage for any residential or non-residential customers who notifies LIPA and provides evidence that his/her financial circumstances have changed because of a Major Storm.

**Financial Impacts:**

A Prolonged Outage that, for example, impacts 100,000 residential customers for an average of 4 days would result in credits totaling \$176,000. Allowing for as many as 5 separate events during a single year, the annual impact of the credits would amount to \$880,000. This amount would be reconciled and recovered from all customers through the Revenue Decoupling Mechanism

**Affected Tariff Leaves:**

Leaves 3, 20 and Original Leaf 105A

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<sup>2</sup> *In the Matter of Customer Outage Credit Policies and Other Consumer Protection Policies Relating to Prolonged Electric or Natural Gas Service Outages. November 18, 2013.*

<sup>3</sup> LIPA proposes to include the lost revenues in its Revenue Decoupling Mechanism.

<sup>4</sup> The definition of a Prolonged Outage is when a customer experiences an electric power outage for more than three (3) calendar days, because of a "Major Storm" as set forth in 16 CRR-NY 97.1 (c).

**Summary of Proposed Changes:**

In summary, the proposed changes to LIPA's Tariff for Electric Service will better align LIPA with those Commission policies Ordered for the other utilities in the State in the event of Prolonged Outage because of a storm or similar qualifying event that impacts the LIPA service territory.

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

3. Peak Power is the greatest demand which occurred in a specific period of time.
4. Reactive Power is that part of Apparent Power that is not useful, but is required by some types of electricity-consuming devices such as motors.
5. Real Power is the useful part of Apparent Power. It is measured by averaging the instantaneous power over a 15-minute period and expressed in kilowatts (KW).

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

**Primary Residence:** A service address at which a Customer-generator resides the majority of the time during the year, and which has been given by the Customer-generator and exists in the voter registration catalogues or used by the Customer-generator to determine his/her school district code number as he/she identifies the same on his/her New York State Income Tax Returns

**Power Factor:** The Real Power (KW) divided by the Apparent Power (kVA) at any given point and time in an electrical circuit. It is expressed as a percentage. (See *Power*)

**Private Property Agreement:** An Agreement between the Authority and a property owner regarding the right to pass over, occupy, or use land for the placement and access of Authority facilities. The Agreement is kept on file at the Authority. (See *Right-of-Way*)

**Prolonged Outage:** An electric power outage for more than three (3) calendar days due to a "Major Storm" as defined in 16 CRR-NY 97.1 (c).

**PSEG Long Island Holiday:** New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve and Christmas Day.

**Prorate:** To divide, distribute, or assess proportionately.

**Public Highway:** Any street, avenue, road, or way that is maintained for and used by the public. It is authorized and controlled by the legislative body of a village, town, city, county, or the State of New York.

**Public Holiday:** As defined in the General Construction Law Section 24, Public Holidays; half-holidays.

**Public Right-of-Way:** The area within a Public Highway which may be used for the placement of and access to Authority facilities.

**Pull Box:** An underground connection between either the Authority's and the Customer's underground facilities, or the Authority's overhead, terminating at the base of a pole, and the Customer's underground facilities.

**Q**

**Qualifying Low Income Customer:** A customer who provides documentation of current enrollment in at least one of the following programs: Home Energy Assistance Program (HEAP); Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security Income (SSI); Temporary Assistance – Family Assistance (FA); Temporary Assistance-Safety Net Assistance (SNA); United States Veterans Administration – Veteran's Pension or Veteran's Surviving Spouse Pension.

**R**

**Reactive Power:** (See *Power*)

**Real Power:** (See *Power*)

**Residence:** A permanent dwelling place.

**IV. Billing Process and Payment of Bills (continued):****B. Computing a Customer's Bill (continued):****4. Customer Policies Related to Prolonged Outages**

- a) A Prolonged Outage occurs when a Customer has experienced an electric power outage spanning more than three (3) calendar days resulting from a "Major Storm" as defined in 16-CRR-NY 97.1.
  - (1) The Authority will credit affected Customers for the Service Charge per day and Meter Charge per day contained in SC1, SC1-VMRP(L), SC1-VMRP(S), SC1-VTOU, SC2, SC-2VMRP, SC2-L, SC-2LVMRP, SC2-MRP and SC-16.
  - (2) Credits will apply to any Customer the Authority knows or reasonably believes was out of service for a period exceeding three calendar days, and upon request from any Customer that contacts the company and credibly claims they experienced an outage of such duration.
  - (3) The credit will be equal to the Service Charge per day plus the Meter Charge per day according to the Customer's assigned Service Classification identified in the Tariff, multiplied by the number of calendar days the Customer experienced an outage.
  - (4) The credit will be applied to a Customer's account no later than 75 days after electric service is restored.
- b) Collection Related Activities
  - (1) All collection-related activities including terminations of service for non-payment, with the exception of the issuance of service termination notices and assessment of security deposits, will be suspended for Customers the Authority knows or reasonably believes to have experienced a Prolonged Outage. The suspension will last for a minimum of seven (7) calendar days from the beginning of a Prolonged Outage.
  - (2) All collection-related activities including terminations of service for non-payment with the exception of the issuance of service termination notices and assessment of security deposits, will be suspended for a minimum of fourteen (14) calendar days from the beginning of a Prolonged Outage. This will apply for any residential or non-residential Customer who notifies the Authority and provides evidence that his/her financial circumstances have changed because of the Prolonged Outage.