

Proposal Concerning Modifications to LIPA’s Tariff for Electric Service

Requested Action:

The Long Island Power Authority (“LIPA”) staff proposes to revise the Tariff for Electric Service (“Tariff”) to modify the details of the Advanced Metering Infrastructure (“AMI”) manual meter reading fee (“AMI Smart Meter Daily Opt-Out Fee”) to be effective beginning August 1, 2022.

Background:

PSEG Long Island began deploying AMI equipped smart meters as part of PSEG Long Island’s 2017 Utility 2.0 plan and filed a 2018 Utility 2.0 plan¹ featuring a proposal for full service-territory-wide smart meter deployment to all customer classes by 2023. Despite challenges that meter deployment has faced due to the COVID-19 pandemic, PSEG Long Island installed smart meters ahead of schedule, with 95% deployment completed in September 2021, approximately 15 months ahead of the original deployment plan. PSEG Long Island expects to complete 99% deployment by August 2022 and has a current customer opt-out rate of approximately 0.5% or approximately 4,500 customers.

Smart meters empower PSEG Long Island customers with tools to make more informed energy choices, enable the development of new energy products and services. As described in full in the 2018 Utility 2.0 Plan Update and as demonstrated by many other electric utilities, the deployment of smart meters offers several additional benefits: it improves customer satisfaction, increases opportunities for energy efficiency, drives operational excellence, and reduces operational costs.

Some customers prefer to opt-out of AMI smart meters for various reasons causing PSEG Long Island to continue to perform manual monthly meter reads for these accounts.

Proposal:

In order to recover LIPA’s cost to manually read meters of opted-out customers earlier than expected, the Authority is requesting to update the Tariff so that 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”) effective August 1, 2022. The Tariff currently sets the beginning date for the opt-out fee on January 1, 2023, reflecting the original smart meter deployment schedule.

With the following exceptions, all residential customers billed on Service Classification No.1 had 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 were residential customers who participated in net metering, time-of-use rates, or a retail choice program (Long Island Choice and Green Choice), who were ineligible to opt-out from smart meter installation. All commercial customers are ineligible to opt-out.

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).

Customers received general media coverage and announcements throughout the implementation of AMI and had the option to opt-out at any time prior to meter installation at no cost. Specifically each customer was notified:

- At least 45 days before meter installation, customers received a welcome letter informing them that PSEG Long Island will be changing their meter.
 - They also received information on how to opt-out should they choose not to receive a smart meter.
 - The letter also identified PSEG Long Island’s intention to implement a daily manual meter reading fee.

The AMI Smart Meter Daily Opt-Out Fee is consistent with Consolidated Edison, Orange & Rockland, and Niagara Mohawk in New York State and other utilities throughout the country in their smart meter opt-out options. Currently, Consolidated Edison, Orange & Rockland, and Niagara Mohawk all include smart meter opt-out fees in their tariffs.

As of September of 2021, PSEG Long Island achieved full scale deployment (i.e. the installation of 97% of AMI smart meters), ahead of its targeted schedule of April 2022. PSEG Long Island is planning to achieve installation of approximately 99% of AMI smart meters by August 2022. Those remaining residential 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 August 1, 2022. Staff has determined this fee be \$0.38 per day or \$11.50 per 30-day month and is based on the actual cost of reading meters manually.

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 which will be updated as needed based on the actual cost of manually reading non-AMI meters.

Financial Impacts: No net financial impacts are expected to LIPA or those customers that accept AMI metering. The AMI Smart Meter Daily Opt-Out Fee is designed to recover the costs associated with a manual monthly meter read for those customers that elect not to accept AMI metering, which are estimated to be \$51,750 per month assuming 4,500 cumulative customer opt-outs.

Affected Tariff Leaf: 91 and 107B

Affected Statements: AMI Smart Meter Fees

Summary of Proposed Changes:

Residential customers that opt out of an AMI Smart Meter will be subject to the AMI Smart Meter Daily Opt-Out Fee effective August 1, 2022, instead of the currently authorized date of January 1, 2023.

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, 480, 481, 580), 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), 1-VMRP(L), and 1-VTOU).

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. If the customer does not want an AMI equipped smart meter they may request that service be continued through a non-communicating meter but for the exceptions noted above.

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~~August 1, 2022, 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.

- c) Upon written request from a prospective tenant or lessee, the Authority will provide, at no cost, the total electricity charges incurred at the prospective residential rental premises for the life of the premises, or the preceding two-year period, whichever is shorter. Prior to the commencement of the tenancy or execution of a lease, the Manager will provide such information to the landlord or lessor and to the prospective tenant, or other authorized person, within ten days of receipt of the written request. The written request needs to include an email address where the requested data can be sent.

11. Metering Related AMI Charges:

- a) Residential Service Classification No.1 Customers (rates 180, 480, 481, 580) 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~~August 1, 2022, 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 (~~after AMI meter has been installed~~)..... \$65.61

~~*AMI Smart Meter Daily Opt-Out Fee \$N/A0.38~~

~~*Note that this charge is currently not in effect~~