

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

Long Island Power Authority ("LIPA" or the "Authority") staff ("Staff") proposes to modify its Tariff for Electric Service (the "Tariff"), effective October 1, 2025, to be consistent with a recently enacted provision of the New York State Public Service Law ("PSL").

Background:

In February 2024, a new provision of the PSL was enacted which establishes limits on the backbilling period for small non-residential customers. Specifically, PSL § 66-w, which became effective on June 19, 2024, states, in relevant part that if a utility:

does not render a small non-residential customer..., with the exception of a seasonal or short-term customer ..., a monthly bill for gas and/or electric services used by such customer during that monthly period, or, in the case of bi-monthly meter reads, during that month and the prior month, within three months from the end date of such monthly billing period, then, such small non-residential customer shall not be charged for such gas and electric services which were not billed..., unless the failure of the corporation or municipality to bill sooner was not due to the neglect of the corporation or municipality or was due to the culpable conduct of the customer...

PSL § 66-w defines a "small non-residential customer," in relevant part, as "non-residential electric customers that are non-demand billed customers" and excludes street lighting accounts.

PSL § 66-w is part of Article 4 of the Public Service Law to which LIPA is not subject pursuant to the New York State Public Authorities Law.¹ Staff, however, proposes to amend the Tariff to align with PSL § 66-w and to make limits on the backbilling period for LIPA's small non-residential customers consistent with those of the State's regulated utilities.

Proposal:

Staff proposes to amend the Tariff to align with PSL § 66-w. Specifically, the proposed Tariff changes prohibit the Authority from charging a non-residential Mass Market Customer², other than a Seasonal Customer or a Short-Term or Temporary Non-Residential Customer, for electric services used by such customer during a monthly billing period (or in the case of bi-monthly meter reads, during that month and the prior month) unless the Authority renders a bill to such customer within three months from the end of such billing period.³ For example, if a monthly billing period runs from January 1 through January 30, the Authority must issue a bill for the January time period by April 30.

¹ See N.Y. Pub. Auth. Law § 1020-S.

² The Tariff defines a "Mass Market Customer," in relevant part, as a "Small Commercial Service Classification that [is] not billed for demand." LIPA Tariff Leaf No. 18.

³ This proposed Tariff language is consistent with N.Y. Pub. Serv. Law §41(1).

If the bill is not rendered by the Authority within the three-months following the end of such billing period, the customer will not be charged for the electric service, unless the Authority's failure to render a bill sooner: 1) was not due to the neglect of the Authority; or 2) was due to the culpable conduct of the customer. If these exceptions apply, the Authority is not bound by the three-month prohibition.

Financial Impacts: There are no financial impacts to the Authority or to Customers.

Affected Tariff Leaves: 100A, 101

Tariff Leaves Included for Reference: 18, 100

Summary of Proposed Changes:

Staff is proposing to implement Tariff changes to align with statutory amendments to the PSL § 66-w.

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

Load: (See *Demand*)

Load Factor: The ratio of a Customer(s) average demand to peak demand during a specified period.

Location: Property with stated boundaries which is owned or occupied by a single legal entity.

M

Manager: PSEG Long Island LLC, the entity engaged by the Authority to operate, maintain, manage and act as agent for the Authority's system pursuant to the terms and conditions of the Operations Services Agreement. Nothing herein shall be read to change or modify Manager's duties and obligations or create any liability on the part of Manager beyond that set forth in the Operations Services Agreement.

Mass Market Customer(s): Residential or Small Commercial Service Classification that are not billed for demand.

Mass Market Project(s): Projects using an Eligible Net Metering Technologies owned by a Mass Market Customer(s).

Micro-Combined Heat and Power Generating Equipment: Any Residential customer with an integrated cogenerating building heating and electrical power generation system, operating on any fuel and any applicable engine, fuel cell, or other technology, with a rated capacity of at least one (1) kilowatt and not more than ten (10) kilowatts electric and any thermal output that all full load has a design total fuel use efficiency in the production of heat and electricity of not less than eighty percent (80%), and annually produces at least two thousand (2,000) kilowatt hours of useful energy in the form of electricity that may work in combination with supplemental, or parallel conventional heating system, that is manufactured, installed and operated in accordance with applicable government and industry standards operated in conjunction with the Authority's transmission and distribution facilities. As of October 17, 2019, all new projects with Micro-Combined Heat and Power Generating Equipment are not considered a renewable energy system as defined by PSL §66-p.

Micro-Hydroelectric Generating Equipment: A Hydroelectric system, with a rated capacity of not more than twenty-five (25 kW) for a residential customer or with a rated capacity of not more than five thousand (5,000) kilowatts for a non-residential customer, that is manufactured, installed and operated in accordance with applicable government and industry standards, connected to the electric system and operated in conjunction with the Authority's transmission and distribution facilities.

Month: A Month in this document is defined as a 30-day period, and monthly rates for billing periods other than a Month are prorated.

Multi-phase: Producing, carrying, or powered by multiple alternating voltages, each of which reaches its highest level at different time intervals. (See *Alternating Voltage*)

Multiple-Occupancy or Multiple Dwelling Building: A building designed to contain three (3) or more individual residential units for permanent occupancy. Each unit should contain kitchen, bath, and sleeping areas. In some instances, the Tariff may differentiate between buildings that contain three or more units and those that contain four or more units.

N

Net Energy Metering: The use of a net energy meter to measure, during the billing period applicable to a Customer-generator, the net amount of electricity supplied by the Authority to the Customer-generator and/or the net amount of electricity provided by the Customer-generator to the Authority.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill****1. Service and Rate Classifications**

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

2. Adjustments to Rates

The Authority may adjust rates or bills periodically for:

- a) Changes in the Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, Undergrounding Charge, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment, Distributed Energy Resources Cost Recovery Rate, Merchant Function Charge, and the Customer Benefit Contribution Charge and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- e) NYSERDA Loan Installment Charges, and
- f) Securitization Charges.

3. Applying Rate Changes to Customer's Bills

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

4. Backbilling

- a) For Residential Customers, with the exception of a Seasonal Customer or a Short-Term or Temporary Residential Customer, if the Authority does not render such Residential Customer a monthly bill for electric service used by such customer during that monthly period (or, in the case of bi-monthly meter reads during that month and the prior month), within three months from the end of such monthly billing period, then such Residential Customer shall not be charged for such services which were not billed to such Residential Customer unless the Authority's failure to bill sooner was: (i) not due to the Authority's neglect; or (ii) due to the culpable conduct of such Residential Customer.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill (continued):****Backbilling (continued):**

- b) For Residential Customers that qualify as a Seasonal Customer and/or Short-Term or Temporary Customer - Residential, the Authority may not render a bill for previously unbilled service after twenty-four months from the time service to which the bill pertains was provided. This provision shall not apply when the culpable conduct of a customer caused or contributed to the failure of the Authority to have rendered a timely billing.
- c) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- d) For Non-Residential Mass Market Customers, excluding street lighting accounts, a Seasonal, a Short Term or a Temporary Non-Residential Customer, if the Authority does not render such Mass Market Customer a monthly bill for electric service used by such customer during that monthly period (or, in the case of bi-monthly meter reads, during that month and the prior month), within three months from the end of such monthly billing period, then such Mass Market Customer shall not be charged for such services which were not billed to such Mass Market Customer unless the Authority's failure to bill sooner was: (i) not due to the Authority's neglect; or (ii) due to the culpable conduct of such Mass Market Customer.
- e) For Non-Residential Customers that are not Mass Market Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- f) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill (continued):****Backbilling (continued):**g) First Time a Customer is Billed – Time Limits

- (1) The Authority may backbill a Non-Residential Customer that is not a Mass Market Customer for service supplied before it sends the first bill, if the delay in billing:
 - (a) Is up to but no more than twelve (12) months, and
 - (b) Was caused by the Authority's neglect; and
 - (c) Was not caused by culpable conduct of the Customer.
- (2) The Authority may backbill a Non-Residential Customer, including a Mass Market Customer, for service supplied up to but no more than twenty-four (24) months before it sends the first bill, if the delay in billing:
 - (a) Was not caused by the Authority's neglect, or
 - (b) Was not caused by culpable conduct of the Customer.
- (3) For Residential Customers, the Authority will explain the reasons for the late billing in 1, and 3 above and offer the Customer, in writing, an installment payment plan for the amount owed. The installment plan will offer the Customer the lower down payment amount of these two (2) choices:
 - (a) One half (1/2) of the amount owed, or
 - (b) Three (3) months' average billing for that Customer.
- (4) The Authority may backbill a Customer for service supplied up to but no more than six (6) years before it sends the first bill, if the delay in billing:
 - (a) Was caused by culpable conduct of the Customer, and
 - (b) Was not caused by the Authority's neglect.