December 2025 Tariff Changes

Presented by: William Wai, *Director of Rates*

December 17, 2025

Tariff Proposals

Proposed **Tariff Changes**

1. Implementation of New York State Energy Affordability Guarantee (“EAG”) Pilot Program

- Implementation of the NY State EAG Program that supports adoption of electrified space and water heating by low-income households and caps the electricity costs at 6% of their income

2. Long Island Choice Participation of Non-net-metered ReCharge NY customers

- Currently purchase supplemental power (beyond ReCharge NY allocation) from LIPA only
- Additional option to purchase it from Energy Service Companies

3. Implementation of Updated or New Rate Designs for Buyback Service and Standby Service

- Updates to Service Classification No. 11 Buyback Service
- Introduce Rates for Service Classification No. 12 Standby Service that includes a phase-in structure

4. Clarification of Applicable Rates and Interconnection Agreement for Electric Service at 23,000+ volts

- Service at 23,000 volts or above shall be charged Sub/Transmission rates
- Service at 23,000 volts or above requires to have an interconnection Agreement (“IA”)

Timeline

- ✓ **September 24 :** Proposals published for public comment
- ✓ **November 18 and 24:** Public comment sessions
- ✓ **December 2:** Last day for written public comments to be incorporated into Board briefing materials
  - ✓ No Public Comments
- ✓ **December 8:** DPS recommendation on LIPA's Proposal
  - ✓ DPS finds the proposed updates to be consistent with Commission Orders and the Public Service Law and recommends that the Tariff modifications be adopted by the LIPA Board with minor edits for clarification to the language under the new Standby rates in the Tariff.
  - ✓ LIPA Staff agrees with the recommended clarifying edits.
- ❑ **December 17:** LIPA Board consideration

LIPA

Thank You

William Wai
Director of Rates

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LIPA Board of Trustees Briefing: DPS Overview - Utility 2.0/BEE Plan & December Tariff Proposals

Nick Forst, Acting Director – DPS LIO

December 17, 2025

U2.0 & Building Efficiency and Electrification Plan

U2.0 & Building Efficiency and Electrification Plan

U2.0 Programs align with PSC Orders and achieve state goals

- NWA Retail Energy Storage Evaluation
- EV Make Ready / Fleet Make Ready
- EV Programs (Residential Charger Rebates, DCFC Incentives & EV Phase-In Rate)
- IEDR
- Connected Buildings Pilot

BEE measures for Residential & Commercial Customers:

- Energy Assessments
- Heat Pumps (Beneficial Electrification)
- Building Envelope Improvements
- Efficient Products Rebates
- REAP (Residential only)
- EE Services (Commercial Only)
- Muli-Family Buildings
- Collaboration with NYSHCR

BEE Plan by the numbers:

- $88.33M — Total BEE Budget
- 519,422 — Total Energy Savings in MMBtus
- $24.97M — LMI Rebates & Incentives
- 62% — % of Residential Spending directed towards LMI
- 51% — % of total Budget Directed towards DACs

U2.0 & BEE Plan: DPS Recommendation Highlights

Emphasis on Statewide Alignment

CLCPA Goals

Energy Storage

Beneficial Electrification

Transportation Electrification

May 2025 Public Service Commission Orders

76% Money-Out-The-Door Goal

- **Broader Coordination with NYSERDA regarding LMI offerings in EmPower Plus**

U2.0 & BEE Plan - Program Specific Recommendations:

EV Make Ready:

- PSEG LI & LIPA collaborate to expand funding based on program demand.
- Rebalance L2 and DCFC plug targets based on market interest.

EV Phase-In Rate:

- Track customer participation, peak demand & energy usage with granularity.
- Maintain rate design alignment with IOUs going forward.
- File annual reports indicating year-over-year participation, localized grid impacts of EV charging loads, and rate impacts on nonparticipating customers, including LMI and DACs.

IEDR:

- Align program reporting (to NYSERDA) with IOUs & Commission Order.

December 2025
Tariff Proposals

December 2025 Tariff Proposals

- Five (5) Tariff Proposals to the Board for approval. DPS Staff recommends adoption of all proposals.

Annual Rate Update & DST

- Rate update for 2026 budget and revenue requirement.
- Removes outdated language accommodating older meters adapting to Daylight Savings Time (DST).

EAG Pilot

- Assists low-income customers with fully electrified households by reducing energy burden to six percent of annual income.
- Marries clean energy adoption with Energy
- DPS supports LIPA's proposed implementation of the EAG pilot.

Recharge NY

- Allows Recharge NY customers to also participate in Long Island Choice, providing the option to purchase their supplemental power from ESCOs.

Standby and Buyback Rates

- Introduces Standby Rates and modifies existing Buyback Rates to align with Commission Orders, policy, and standardizes LIPA with IOU practices.
- PSEG LI's communication plan with impacted customers explained the rate structure and provided individualized bill impact analysis.
- Continue efforts to inform customers about LIPA's rates.
- DPS supports LIPA's proposal with minor modifications to add clarifying language.

Transmission Voltage

- Modifies threshold for Sub/Transmission line service from 69 kV to 23 kV
- Introduces an Interconnection Agreement requirement for new customers requesting service at or above 23 kV.

FOR CONSIDERATION
December 17, 2025

TO: The Board of Trustees

FROM: Carrie Meek Gallagher

SUBJECT: Approval of Tariff Changes

Requested Action

The Trustees are requested to approve the following proposals to modify the Long Island Power Authority's ("LIPA" or the "Authority") Tariff for Electric Service:

1. **Energy Affordability Guarantee ("EAG") Pilot program Implementation**: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to implement the New York State Energy Affordability Guarantee ("EAG") Pilot program in the LIPA service territory.
2. **Option for ReCharge New York ("ReCharge NY" or "RNY") Customers to Participate in the Long Island Choice ("LI Choice" or "LIC") Program**: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to implement RNY for non-net metered customers to provide the option to purchase their supplemental power from either LIPA or a LIC Energy Service Company ("ESCO"), and update related documents to reflect current system capabilities regarding EDI, consolidated billing and LIC billing dates for ReCharge NY customers.
3. **New Rates for Standby Service and Updates to Buyback Service**: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to introduce Standby Rates through Service Classification No. 12 - Standby Service, which improves alignment between rates and system costs, and implement updates to Buyback Service to stay consistent with the regulated electric utilities in the state, following recent New York State Public Service Commission orders.
4. **Sub/Transmission Service**: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to clarify that customers taking service at or above 23,000 volts will be charged Sub/Transmission rates and required to execute an Interconnection Agreement ("IA") with the Authority.

EAG Pilot Program Implementation: Background

In 2016, the New York State Public Service Commission (the "Commission") established the Energy Affordability Policy, which set a goal that low-income customers pay no more than 6% of their annual household income toward energy bills.[1]

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[1] *See* Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings (May 20, 2016).

To support low-income households in reaching affordable building decarbonization, the 2024-2025 New York State Budget appropriated funds to the Department of Public Service ("DPS") to establish a program to provide an energy affordability guarantee to low-income residential customers who electrify their homes under the EmPower+ Program, administered by the New York State Energy Research and Development Authority ("NYSERDA").[2] The 2024-2025 State Budget ("Budget Law") included an appropriation of $50 million to fund the energy affordability guarantee ("Guarantee") and provided additional parameters for the initiative, including that the Guarantee shall only be for the estimated useful life of the related electrification project, and that the Commission is authorized to establish a cap on electric usage applicable to the Guarantee.[3] The Budget Law provides for the disbursement of appropriated funds to the utilities, including LIPA, on behalf of participating electric residential utility customers.

On August 15, 2024, the Commission issued an order approving an Energy Affordability Guarantee Pilot program (the "Pilot"), which directed DPS Staff to file an implementation plan outlining the Pilot design and ordered the State's regulated utilities to file tariff amendments to effectuate the Guarantee with a temporary effective date of November 1, 2024. [4]

Pursuant to the August 2024 Order, the Pilot would provide the Guarantee in the form of monthly tailored bill assistance (*i.e.*, a bill credit) to qualified customers that are enrolled in the Pilot to "ensure that these households pay no more than [6%] of their income towards electricity costs."[5] The August 2024 Order indicates that a DPS implementation contractor (the "DPS Implementation Contractor") would be responsible for enrolling and interfacing with Pilot participants, collecting monthly electricity consumption data from utilities for each participant, and calculating the monthly Guarantee levels for each participant. The August 2024 Order also states that the Guarantee must be provided for an estimated 15 years.[6] The August 2024 Order, which is attached hereto and incorporated by reference, further establishes how the Pilot will be designed and implemented, including, but not limited to: 1) customer eligibility requirements; 2) how the Guarantee, including applicable limits, will be calculated; 3) how the Guarantee will be provided to participants; 4) how the Guarantee will be transferred to allow for homeowners or tenants to apply for participation in the Pilot when tenancy changes; and 5) participant enrollment deadlines.

On October 17, 2024, the regulated utilities subject to the August 2024 Order (the "Regulated Utilities") filed temporary tariff amendments and on November 15, 2024, DPS Staff issued its Pilot Implementation Plan.

<u>EAG Pilot Program Implementation: Proposed Action</u>

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[2] *See* Laws of 2024, Chapter 53, Aid to Localities Appropriation (enacted May 1, 2024).
[3] *Id.*
[4] Case 14-M-0565 – Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers, Order Approving Energy Affordability Guarantee Pilot (Aug. 15, 2024) ("August 2024 Order")
[5] *Id.* at 8.
[6] *Id.* at 32.

Consistent with tariff amendments filed by the Regulated Utilities,[7] as ordered by the Commission in the August 2024 Order, LIPA Staff proposes to amend the Tariff to implement the Pilot in the LIPA service territory.[8]

The Pilot will support the adoption of electrified space and water heating by low-income households by preventing electricity costs from exceeding 6% of their income. The Pilot will provide financial support to participating customers in the form of a bill credit to help mitigate the potential for increased energy cost burdens for customers that convert to a heat pump for space and water heating. Participant enrollments in the EAG Pilot will be limited consistent with the August 2024 Order, and the Guarantee will be provided to participants for the life of the heat pump, up to a maximum of 15 years.[9]

Consistent with the August 2024 Order, the Authority will implement the Pilot by providing participating customer billing data to a statewide implementation contractor procured by DPS Staff (the "Implementation Contractor"),[10] which the Implementation Contractor will use to determine if a credit is needed based on the participant's energy use and household income. If the Implementation Contractor determines that a credit is necessary, the Implementation Contractor will communicate that amount to the Authority which will apply the credit on the customer's next bill.[11]

EAG Pilot Program Implementation: Financial Impact

There are no material financial impacts to the Authority as the program is funded by a State Budget Appropriation. Customers participating in the program will see positive financial impacts in the form of a monthly Guarantee bill credit if the DPS Implementation Contractor determines that a participant is owed financial assistance for that month.

EAG Pilot Program Implementation: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

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[7] The Regulated Utilities are: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

[8] LIPA Staff notes that LIPA is not submitting itself to the Commission's jurisdiction and that LIPA Staff takes no position on whether LIPA will participate in future Commission programs.

[9] *See* August 2024 Order at 32.

[10] As part of the customer enrollment process, the DPS Implementation Contractor must obtain the customer's consent for the Authority to share energy consumption and billing information.

[11] Consistent with the August 2024 Order, the participant's Guarantee level will be calculated by applying the participant's target energy burden (6%) to the net monthly electric bill for the participant (*i.e.* monthly electric costs minus monthly applicable credits). *See* August 2024 Order at 10.

DPS recommends adoption of this proposal as proposed. It affirms that LIPA's proposal aligns with the criteria outlined in the New York State Budget appropriation and helps to ensure that electric rates remain affordable for low-income customers

Option for RNY Customers to Participate in LI Choice: Background

LIPA's Board of Trustees ("Board") previously approved a Tariff modification for LIPA's implementation of ReCharge NY, a New York State economic development program administered by the New York Power Authority ("NYPA") that provides eligible customers with discounted delivery service. Under Recharge NY, NYPA can provide up to 910 MW of lower-cost power to eligible industrial and commercial customers to encourage load and job retention within the State.

Additional modifications were also made to the Tariff to further align LIPA's RNY program with the rest of the State.

Currently, there are approximately 300 LIPA customers that participate in RNY.

Option for RNY Customers to Participate in LI Choice: Proposed Action

Staff proposes to modify the Tariff to implement RNY for non-net metered customers to provide the option to purchase their supplemental power from either LIPA or a LIC ESCO. As part of this change, LIPA Staff also proposes to amend the Tariff leaves regarding its Business Attraction/Expansion Programs to specify how incentives will be applied to RNY customers that receive LIC ESCO service for their supplemental power (*i.e.,* for RNY customers on LIC, the discount will be limited to the portion of load provided by the customer's ESCO).

Additionally, Staff proposes modifications to the Uniform Business Practices for ESCOs in the LIPA Service Territory ("UBP-LI-ESCO") and the Long Island Choice Operating Procedures to reflect current system capabilities:

1. Electronic Data Interchange ("EDI") is not available for ReCharge NY customers that participate in LIC;
2. Consolidated billing is available to LIC Customers, with the exception of ReCharge NY customers; and
3. Calendar Month billing will be used for ReCharge NY customers on LI.

Option for RNY Customers to Participate in LI Choice: Financial Impact

Financial impacts cannot be quantified at this time. Impacts to the Authority will depend on the number of LIPA's non-net metered RNY participants that elect an ESCO rather than the Authority for their supplemental power needs. Impacts to RNY customers that choose to join LIC will depend upon the rates offered by ESCOs as compared to the Authority's rates.

Option for RNY Customers to Participate in LI Choice: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

DPS supports this proposal as it provides additional savings options for Recharge NY customers, and therefore recommends adoption of the tariff changes as proposed.

New Rates for Standby Service and Updates to Buyback Service: Background

Currently, the Tariff offers SC 12 – Back-Up and Supplemental Service which provides additional power to customers that have either their own on-site generation (Rate Code 681) or that receive a portion of their power from the New York Power Authority ("NYPA") through the ReCharge NY program (Rate Code 680). The types of service currently offered under SC 12 include:

- Back-up – Provides the electricity the customer normally gets from non-Authority supply when there is an unscheduled interruption to that supply;
- Maintenance – Provides electricity during a scheduled interruption of the customer's supply to allow the customer or the Authority to do maintenance work on its equipment; and
- Supplemental – Provides the electricity the customer needs that is in addition to the electricity normally provided from the non-Authority supply.[12]

Additionally, the Tariff currently offers Service Classification No. 11 ("SC 11") - Buy-Back Service (Rate Code 289) through which the Authority pays for net energy received from customers at a price based on a contract or purchase power agreement at the time the energy is injected into the grid. LIPA also pays for the credited capacity at a price that reflects the cost of Installed Capacity ("ICAP"), as the Authority avoids having to purchase energy from the NYISO during the Zone K NYISO peak hour because of the customer's injection during that hour.

To align with Commission orders[13] and the practices of regulated utilities throughout the State, the Authority is proposing modifications to SC 11 and SC 12 to better align the Authority's cost to serve "part-time" customers with revenues collected, to avoid shifting costs to other ratepayers.

New Rates for Standby Service and Updates to Buyback Service: Proposed Action

The proposal to implement Standby Rates eliminates LIPA's existing Back-up and Supplemental Service Tariff provisions and will also update LIPA's Tariff provisions for Buyback services. Both proposed updates are designed to align with the Commission orders referenced above.

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[12] See Tariff Leaf 261

[13] *See e.g.,* Case 15-E-0751, Order on Standby and Buyback Service Rate Design and Establishing Optional Demand-Based Rates (issued May 16, 2019), Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rates and Energy Storage Contract Demand Charge Exemptions (issued March 16, 2022) (ACOS Order), and Order Directing Standby and Buyback Service Tariff Filings (issued March 16, 2022), Order Establishing Updated Standby Service Rates and Implement Optional Mass Market Demand Rates (issued October 13, 2023), Order Approving National Grid Tariffs, with Modifications, for Standby Service and Optional Rate Service (issued November 19, 2024).

Standby Service is designed for customers that self-supply a portion or all of their electricity needs from on-site generation sources and maintain a connection to the electric grid to avoid service interruption due to a variety of reasons (*e.g.,* unexpected generator outage, system maintenance, or supplemental energy needs). Standby Service can also be used for station power needs of a customer that supplies generation to the wholesale market. Under this proposal, Standby Service will be mandatory for customers with on-site generation that maintain a connection to the grid, although there are numerous technology (*i.e.,* solar, wind) and size-based (*i.e.,* less than 5kVA, less than 15% of maximum potential demand) exemptions.

Buyback Service is for customers with on-site generation to export power back to the Authority, and it is required for customers that inject power into the grid, except for who fall under numerous technology- or customer size-based exemptions.

The exemptions to Standby Service and Buyback Service in this Tariff amendment proposal are consistent with Public Service Law §66-j and the Commission orders referenced above.[14]

New Rates for Standby Service

The Standby Service Tariff provisions will be implemented under Service Classification No. 12, and will be renamed from "Back-Up and Supplemental Service" to "Standby Service." The new Standby Rates will be assigned Rate Code 682 for commercial customers, will replace Rate Code 681, and will have eleven sub-rate codes to accommodate the various customer types and phase-in rates for existing customers. Optional Standby Rates for residential customers will be assigned Rate Code 179.

<table>
<tr><th><u>Standby Rate Codes</u></th><th><u>Parent Rate</u></th></tr>
<tr><td>B1179: Parent Service Classification No. 1 – Residential Service</td><td>Rate Code 194, 580</td></tr>
<tr><td>B1682: Parent Service Classification No. 2 - General Service – Small</td><td rowspan="2">Rate Code 280
(less than 7 kW)</td></tr>
<tr><td>P1682: Phase-In Charges for Parent SC-2 Small</td></tr>
<tr><td>B2682: Parent Service Classification No. 2-L -General Service - Large</td><td rowspan="2">Rate Code 281
(7 kW - 145 kW)</td></tr>
<tr><td>P2682: Phase-In Charges for Parent SC 2-L -General Service - Large</td></tr>
<tr><td>B3682 & B4682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Secondary and Primary)</td><td rowspan="2">Rate Code 285
(over 145 kW)</td></tr>
<tr><td>P3682 & P4682: Phase-In Charges for Parent SC 2-MRP (Secondary & Primary)</td></tr>
<tr><td>B5682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Transmission)</td><td rowspan="2">Rate Code 285
(over 145 kW)</td></tr>
<tr><td>P5682: Phase-In Charges for Parent SC 2-MRP (Transmission)</td></tr>
<tr><td>P6682: Phase-In Charges for Customers Previously on Closed Rate 681 (Transmission)</td><td>Rate Code 681
(to be closed)</td></tr>
</table>

The proposed rates will be designed applying the Commission's Allocated Cost of Service ("ACOS") methodology, as set forth in the ACOS Order, which will result in a more accurate revenue allocation and rate design. The proposed Standby rates will be revenue neutral, such that

[14] Case 19-E-0079, In the Matter of the Continuation of Standby Rate Exemptions. LIPA is not subject to PSL §66-j.

the revenues produced by the Standby rates applicable to each service classification would equal the revenues produced by standard rates (referred to as the parent service classification) if all customers in the standard service classification were to take Standby Service.

Following the proposed implementation directives, which is Consistent with the Commission orders referenced above and PSL §66-j, the proposed rates will be mandatory for approximately 72 current commercial customers and optional for most other customers[15]. The approximately 72 current mandatory customers may choose to either take full Standby Rates or be phased-in[16] over a five-year time period in five increments.[17] New customers that take service after the effective date of this Tariff amendment and that meet the requirements of Standby Rates will be subject to full Standby Rates and will not be offered a phase-in over five years.

The Phase-In period will be a fixed (*i.e.*, will not vary by customer) time period of January 1, 2026 (Phase-In Year 1) until December 31, 2030 (Phase-In Year 5). On January 1, 2031, full Standby Rates will go into effect for all Phase-In customers.

Delivery Rates for a Phase-In Year will be calculated as the delta between a customer's (1) Parent Service Classification rate, and (2) applicable Standby Rate, with the following formulas for Phase-In Year One:

> Phase-In Year 1 (2026): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue – Parent Service Class Delivery Rate Revenue)/6

The Authority proposes to designate customers that are not required to take Standby Service, but elect to opt in as "Optional Rate Customers." Once a customer opts in, such customer would be required to have Advanced Metering Infrastructure ("AMI meter"). Optional Rate customers can switch back to applicable non-Standby rates available to them at any time, however, to avoid customers switching to take advantage of seasonal fluctuations in rate design, Optional Rate customers that switch back to a non-time-varying flat rate will not be allowed on Standby rates or other time-varying rate code for a period of not less than one year.

The proposed Standby Rates are comprised of three elements:

(1) <u>Service Charge</u>
- Fixed monthly charge
- Designed to recover customer related costs
- Equivalent to the Service Charge of the Otherwise Applicable Service Class ("OASC")

(2) <u>Contract Demand Charge</u>

[15] Any customer may opt into SC-12 with the exception of SC-5, SC-7, SC-10, SC-13 customers, unmetered customers and non-AMI metered customers.
[16] The customer's phase-in rates will be measured based on the customer's prior delivery rate even if that rate is closed due to this Tariff modification (*i.e.*, Rate Code 681 which will be replaced by the new Standby rates under this proposal)
[17] For all existing customers, the Phase-in Standby Rate will be the default rate. Customers may elect to be placed on full Standby Rates if they notify the Authority by December 1, 2025.

- Designed to recover costs associated with "Local" facilities (*i.e.*, facilities that are closer to a customer's site and were put in place primarily to serve the individual customer)
- Based on individual customer's maximum demand
- Calculated by dividing the revenue requirement to be collected through the Contract Demand Charge by the Contract Demand billing determinants

(3) As-Used Daily Demand Charge

- Designed to recover costs associated with "Shared" facilities (*i.e.*, delivery system facilities located farther from customer sites, the costs of which would be recovered in a manner that recognizes the customer's overall demand)
- Based on daily Peak (in summer months) and Off-Peak demands measured at the meter
- Peak and Off-Peak As-Used Daily Demand Charges ratio is set to 1.25 to 1 and results in a summer to winter demand rate ratio of 2.25

The As-Used Daily Demand Charges have a Time-of-Use component with 3 periods: Peak, Off-Peak and Super Off-Peak. The Super Off-Peak period will not incur As-Used Daily Demand Charges.

Time Period	Summer (June-September)	Winter (October-May)
Peak	3 PM – 7 PM, M-F (excluding Federal Holidays)	N/A
Off-Peak	8 AM – 3 PM and 7 PM – 10 PM, M-F, 8 AM – 10 PM, S-S and Federal Holidays	8 AM – 10 PM, Every day
Super Off-Peak	10 PM – 8 AM, Every day	10 PM – 8 AM, Every day

For mid and large commercial customers, the Authority will measure the usage during each 15-minute interval of an hour and then multiply the largest of the 15-minute interval by 4 to determine hourly demand (kW). Hourly usage (kWh) is the sum of the usage during each 15-minute interval of an hour.

For mass market customers, the Authority proposes to use a 60-minute demand interval calculated by adding the four 15-minute intervals in the hour to measure both energy and demand. The mass market customers' Contract Demand (kW) will be set using the maximum 60-minute demand measurement over the last 24 months, with adjustments going forward if the customer's maximum demand is metered to be higher.

Standby Service customers that qualify for Rate 285[18] and that take electric supply service from the Authority will be billed for supply on an hourly market priced basis (LBMP), including capacity charges based on a customer's individually assigned capacity tag.

Updates to Buyback Service

[18] Customers that qualify for Rate 285-Primary or Rate 285-Transmission.

The Authority proposes to make several modifications to the Tariff's Buyback Service provisions, offered under SC 11:

(1) Include a Customer Charge and a Buyback Contract Demand Charge for Buyback Service for the customer's injections into the system;

(2) Set the required Customer and Contract Demand rates in the Buyback Service provisions of the Tariff to equal those of the applicable Standby Service rates for the customer's requirement of power from the system; and

(3) Consistent with the ACOS Order, stand-alone Energy Storage Systems that reach Step 3 in the Small Generator Interconnection Procedures ("SGIP") process before December 31, 2030, will be exempt from Buyback Contract Demand Charges for a period of 15 years beginning on the project's in-service date.

The Buyback Rates will remain under Rate Code 289.

New Rates for Standby Service and Updates to Buyback Service: Financial Impact

The proposed Standby and Buyback rates are designed on a revenue neutral basis to the OASC, using 2024 load research data currently available. The Authority analyzed bill impacts of the proposed rates for its existing customers that will be assigned to Standby Service on a mandatory basis. Out of these 72 customers, 15 could experience delivery bill decreases and 57 customers could experience significant delivery bill increases. Considering the Phase-in Standby Rates, the 2026 net revenue increase is projected to be $346,361 for the existing customers that will be assigned to Standby Service on a mandatory basis.

New Rates for Standby Service and Updates to Buyback Service: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

After its review, DPS supports LIPA's proposal to introduce Standby Service Rates and to modify its Buyback Service rates. and recommends adoption of this proposal with suggested minor edits to the Tariff language for further clarification. DPS recommended edits include:

1) On Tariff Leaf Nos. 264I and 264J, concerning demand measurement, "… shall be determined as the sum of the four 15-minnute *demands* in an hour..." should read "… determined as the sum of the four 15-minnute *intervals* in an hour..." (*emphasis added*)
2) On Leaf No. 264A in section P.1(e), language regarding the proposed treatment of Optional Rate Customers should be explicitly included as follows:
   "e) Customers that opt into SC-12, who do not otherwise meet the requirements of Standby Service ("Optional Rate Customers"). Any customer may opt into SC-12 with the exception of SC-5, SC-7, SC-10, SC-13 customers, unmetered customers and non-AMI metered customers. *Optional Rate Customers can switch back to applicable non-Standby rates available to them at any time, however, to avoid customers switching to take advantage of seasonal fluctuations in rate design, Optional Rate Customers that switch back to a non-time-varying flat rate will not be allowed on Standby rates or other time-*

varying rate code for a period of not less than one year." (*emphasis added*).

3) On Tariff Leaf 264D section P.4 "Exemptions from SC-12," language should be modified as stated below:
"The following customers shall not be subject to SC-12, but shall be served under the customer's otherwise applicable service classification unless customers make a one-time irrevocable election *to forfeit or refuse the exemption* and join the Standby Rate or the in-progress Phase-In period of Standby Rates, identified in SC-12.14.g if still applicable..." (*emphasis added*).

LIPA Staff Response:
LIPA Staff agrees with the minor edits DPS recommends.

Sub/Transmission Service: Background

LIPA's electric lines are categorized by the voltage they carry and include lower voltage distribution lines for residential and small businesses use and higher voltage transmission lines for large commercial use. These electric lines can be further classified into three categories: secondary (low voltage), primary (medium voltage) and transmission (high voltage).

Primary distribution lines carry electricity from a distribution substation to either a smaller distribution station or directly to large industrial or commercial customers. Secondary distribution lines carry electricity from a distribution station to individual customers such as homes and businesses. Transmission lines, or high voltage lines, carry electricity from a generating station to a substation. Transmission customers take service directly from a transmission substation.

Customers who directly connect to the Authority's higher voltage transmission lines pay lower rates because they do not need to utilize the Authority's lower voltage distribution lines. The Tariff currently assigns transmission rates for customers taking service at or above 69,000 volts. However, the more appropriate breakpoint between primary lines and transmission lines, for rate purposes only[19], is 23,000 volts, which better aligns with LIPA's transmission and distribution system configurations.

This proposal also introduces an IA requirement for customers taking service at or above 23,000 volts. IAs ensure safe, reliable and efficient interconnection between customers and the Authority by establishing clear guidelines and processes for connecting to the grid. Currently, IAs are required for customers that connect new generators to the Authority's grid, as outlined in the Small Generator Interconnection Procedures ("SGIP"). Staff is proposing to also require IAs for customers taking service at or above 23,000 volts, which are normally very large customers (*i.e.* data centers), that may negatively affect LIPA's operations if they were to disconnect or turn on without notice. The IA requirement would better protect the Authority's system from stranded assets, establish consistent operations and maintenance requirements, and provide more reliable service for customers.

[19] This change impacts rate treatment only and does not change any of the Authority's technical or operational standards.

Sub/Transmission Service: Proposed Action

LIPA Staff proposes to modify the Tariff to begin charging Sub/Transmission level rates for customers connected to LIPA's system at 23,000 kVa or higher. This change will better align customer rate assignments with LIPA's current transmission and distribution system configurations, by setting the break point between Primary Service rates and Sub/Transmission rates at 23,000 volts. As such, customers at the 23,000 and 33,000 voltage levels will move from Primary rates to Sub/Transmission rates. The proposed voltage level groupings, for rate purposes only, are as follows:

Rate Category	**Voltage Level**
Sub/Transmission	Above 23,000 volts
Primary	2,400/4,160 - 7,620/13,200[20] volts
Secondary	120/208 – 277/480 volts

Service Classification	**Service Level**	**Current Voltages Served**	**New Voltages Served**	**Description of Change**
SC 2-L: General Service - Large (Rates 281, 283, 291) *(usage 7kW - 145kW)* (See Leaves 204, 205)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
SC 2L-VMRP: Voluntary Large Demand Metered Service with Multiple Rate Periods (Rate Codes 282, 294) *(usage 7kW - 145kW)* (See Leaves 211, 213)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
SC 2-MRP: Large Multiple Rate Periods (Rate Codes 284, 285, M284, M285) (usage over 145kW) (See Leaves 225, 226, 230)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
	Trans.	69,000 volts or higher	23,000 volts or higher	
SC 11: Buy-Back Service (Rate Code 289) (See Leaf 252)	Sub-trans.	23,000 volts; 33,000 volts; or 69,000 volts	23,000 volts or higher	Combine Sub-trans. and Trans.
	Trans.	138,000 volts or higher		
SC 13: Negotiated Rate Service for Large Commercial Customers	Primary	2,400/4,160; 7,620/13,200 volts or higher	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay

[20] No voltage levels between 13,200 and 23,000.

Service Classification	**Service Level**	**Current Voltages Served**	**New Voltages Served**	**Description of Change**
(Rate Code 278) (See Leaf 271)				Sub/Trans. rates

The Service Classifications that will be affected by this change are: SC No. 2-L: General Service – Large; SC 2L-VMRP: Voluntary Large Demand Metered Service with Multiple Rate Periods; SC 2-MRP: Large Multiple Rate Periods; SC 13 – Negotiated Rate Service for Large Commercial customers. The chart below outlines the proposed changes for each service classification.

Staff also proposes adding an IA requirement for new Non-Residential Applicants that request service at or above 23,000 volts[21]. Such applicants will be required to enter into an interconnection agreement that includes, but not [be] limited to, clauses that address the Interconnection of the customer, Ownership, Design of Interconnection Equipment, Operation and Maintenance of the Interconnection equipment, Inspection and Access Rights to customer-owned property to service the Interconnection equipment, Events of Default/Termination, Indemnity of the utility for customer own equipment, and Force Majeure/Planned outage notification requirements.

Sub/Transmission Service: Financial Impact

The proposal will not have a material financial impact on the Authority or customers. All current customers are assigned to the correct rates for their voltage and the requirement for an Interconnection Agreement for new Sub/Transmission customers will have no financial impact on customers' rates.

Sub/Transmission Service: Stakeholder Comments

Three public comment sessions were held on LIPA's Tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

Upon completion of its review, DPS believes this proposal improves the alignment between LIPA's rates and the electric grid's attributes and will also enhance system reliability and recommends that the Board adopt the proposal as proposed,

Public Comments

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[21] Sub/Transmission Service is defined as a customer taking service from a substation at or above 23,000 kVa. The customer would normally own the substation and all equipment required to serve their load beyond the substation.

LIPA held three public comment sessions on the proposed tariff changes on November 18, 2025, and November 24, 2025, and solicited written comments through November 29, 2025. Transcripts of the public comment sessions and a compendium of written comments received are attached as exhibits, and the comments are summarized above, together with responses from LIPA Staff.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

Attachments

Exhibit A-1	Resolution Approving Tariff Modification related to Energy Affordability Guarantee ("EAG") Pilot program
Exhibit A-2	Resolution Approving Tariff Modification related to Option for ReCharge New York Customers to Participate in the Long Island Choice
Exhibit A-3	Resolution Approving Tariff Modification related to New Rates for Standby Service and Updates to Buyback Service
Exhibit A-4	Resolution Approving Tariff Modification related to Sub/Transmission Service
Exhibit B-1	Energy Affordability Guarantee ("EAG") Pilot program- Tariff Redline
Exhibit B-2	Option for ReCharge New York Customers to Participate in the Long Island Choice - Tariff Redline
Exhibit B-3	New Rates for Standby Service and Updates to Buyback Service - Tariff Redline
Exhibit B-4	Sub/Transmission Service - Tariff Redline
Exhibit C	DPS Letter of Recommendation on Tariff Changes
Exhibit D-1	Public Comment Session Transcripts PM Session – November 18, 2025
Exhibit D-2	Public Comment Session Transcripts AM Session – November 24, 2025
Exhibit D-3	Public Comment Session Transcripts PM and Virtual Session – November 24, 2025
Exhibit E	Compendium of Written Public Comments

Exhibit "A-1"

APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO ENERGY AFFORDABILITY GUARANTEE ("EAG") PILOT PROGRAM

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board also has adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff, are hereby adopted and approved to be effective January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 17, 2025

Exhibit "A-2"

APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO OPTION FOR RECHARGE NEW YORK CUSTOMERS TO PARTICIPATE IN THE LONG ISLAND CHOICE

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff are hereby adopted and approved to be effective January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 17, 2025

Exhibit "A-3"

APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO NEW RATES FOR STANDBY SERVICE AND UPDATES TO BUYBACK SERVICE

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal with DPS' recommended minor modifications discussed in the accompanying memorandum; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications with DPS' recommended minor modifications discussed in the accompanying memorandum to LIPA's Tariff are hereby adopted and approved to be effective January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 17, 2025

Exhibit "A-4"

APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO SUB/ TRANSMISSION SERVICE

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff are hereby adopted and approved to be effective January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 17, 2025

TABLE OF CONTENTS

I. General Information (continued):

C. General Terms and Conditions (continued):

26. New York State Energy Affordability Guarantee Pilot Program (EAG Pilot)

The EAG Pilot offers an energy guarantee to certain Customers in the form of a bill credit to households that receive electrification upgrades through the New York State Energy Research Development Authority's (NYSERDA) EmPower Plus (EmPower+) program. Department of Public Service (DPS) Staff shall work with its third-party implementation contractor (DPS Implementation Contractor) to calculate the credit for the participant, provide the participant's bill credit information to the Authority, and the Authority will apply the credit, if any, to the participant's' bill. Any dispute resolution that requires an adjustment to the customer's bill will be provided to customers in a subsequent billing period.

a) Eligibility

Participants in the EAG Pilot must meet the following eligibility requirements:

(1) The participant must be enrolled in the Authority's Low Income Program Discount and NYSERDA's EmPower+ Program as a prerequisite to participate in the EAG Pilot. The participant must complete and sign the EAG Pilot application (Application) with the DPS Implementation Contractor. The Application will include customer consent to allow the Authority to provide the Customer's data to the DPS Implementation Contractor. A participant who becomes unenrolled from the Low Income Program Discount following their enrollment in the EAG Pilot may continue participation in the EAG Pilot subject to the requirements specified herein.

(2) The Customer's premise must be electrified, meaning the participant's space and water heating will be provided exclusively by heat pumps through the EmPower Plus Program.

(3) Participant enrollments will be reviewed and approved by the DPS Implementation Contractor. Participant enrollments in the EAG Pilot will be limited consistent with the New York State Public Service Commission's Order dated August 15, 2025 in Case 14-M-0565 (PSC Guarantee Order).

(4) Participants are required to provide household income documentation on an annual basis to the DPS Implementation Contractor, within a two (2) month grace period, in accordance with the Application, for use in calculating the Guarantee Credit, as specified below.

(5) Customers may participate in the EAG Pilot while participating in Balanced or Budget Billing with the Authority, subject to meeting any other eligibility requirements of the EAG Pilot specified in the Application and herein.

I. General Information (continued):

C. General Terms and Conditions (continued):

New York State Energy Affordability Guarantee Pilot Program (EAG Pilot) (continued):

b) The Guarantee

(1) Guarantee Credit

(a) A Guarantee Credit will be calculated monthly for each participant, by the DPS Implementation Contractor in accordance with the PSC Guarantee Order. Customers experiencing an electricity bill, net of any applicable low income discounts or bill credits the participant receives in that bill, in excess of six percent (6%) of their household income will receive a monthly Guarantee Credit.

(b) Consistent with the PSC Guarantee Order, the determination of the Guarantee Credit will include a cap based on electricity consumption, which will be set at one hundred fifty percent (150%) of the average electricity consumption for Qualifying Low Income Rate 580 Customers as calculated by the DPS Implementation Contractor. For a participant whose consumption exceeds the cap, any energy consumption above the cap will not receive a Guarantee Credit for the usage above the cap during that month.

(2) Transferability of the Guarantee

In the event that a participant moves from a premise that had been electrified through the EmPower+ Program, the Guarantee may be transferred to the new Customer at the premise, subject to the new Customer meeting the eligibility requirements of the EAG Pilot as determined by the DPS Implementation Contractor. The DPS Implementation Contractor will be responsible for notifying the new occupant about the EAG Pilot, verifying eligibility, and enrolling the new occupant in the EAG Pilot, if such occupant otherwise meets eligibility requirements, when changes in occupancy occur.

(3) Term of the Guarantee

Consistent with the PSC Guarantee Order and unless amended or superseded by the Commission, the participant will receive the Guarantee Credit for up to a maximum of 15 years, subject to participation in the EAG Pilot ending prior to the full term when any of the following occurs:

(a) If the participant moves from the premise that had been electrified through EmPower+; or

(b) The life of the heat pump(s) installed through EmPower+ as a pre-requisite to EAG Pilot participation ends prior to the full term; or

(c) The participant requests to be removed from the EAG Pilot; or

(d) The participant fails to provide the required annual household income documentation as specified in the Application and as determined by the DPS Implementation Contractor.

(e) The DPS Implementation Contractor will determine when participation in the Guarantee Pilot ends and will notify the Authority accordingly.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued): Business Attraction/Expansion Program (continued):

f) Incentives

(1) Discounts will apply to charges for additional electric use over the previous 12-month actual or estimated base levels at the time of participation. These base levels are adjusted for energy savings achieved from measures installed through the Authority's Commercial Efficiency or renewable programs. For new Customers, the base levels are zero (0). For retention customers, the base level is the entire load and no discounts will apply, but the retention Customer may choose modified rating periods.

(2) Discounts will be available to each qualifying Customer for a 5-year period. During the first year, the Customer will receive the entire discount as specified under Service Classification No. 2-MRP. After that, the discount will be decreased by one-fifth (1/5) each year until the Customer is billed at regular rate levels at the end of the fifth (5^{th}) year.

(3) For Customers participating in the Recharge NY Program, the discount will be limited to the portion of load provided by the Authority/Customer's ESCO.

(4) Modified rate periods will be available to each qualifying Customer that makes a commitment to reduce its load beginning 3 p.m. on weekdays in the summer months (June – September). For Qualifying Customers taking service under Service Classification 2-MRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m., for Rate Code M284 and June – September, Monday – Friday, from 3 p.m. to 10 p.m., for Rate Code M285. The hours excluded from the standard peak Period 2 will be added to the Intermediate period.

1. Manufacturing Competitiveness Program

a) Objective

This program is intended to provide support to certain manufacturing companies as certified by the New York State Department of Economic Development/Empire State Development Corporation for their Industrial Effectiveness Program. Support is provided by offering eligible Customers reduced electric rates and the ability to choose modified rating periods when committing to reduce their load beginning 3 p.m. on weekdays in the summer months (June – September). Refer to E.2.e.4 for exact hours. Participation in this program cannot occur concurrently with any other Business Development Program except the Recharge NY Program.

b) Who is Eligible

(1) Existing Customer accounts that take their full load requirements from the Authority or are enrolled in the LI Choice Program or the Recharge NY Program, and

(2) Take service under either Service Classification Nos. 2-L, 2L-VMRP, or 2-MRP, and

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued): Manufacturing Competitiveness Program (continued):

e) Incentives

(1) Discounts apply to charges for the entire electric use of the Customer, but only for electric accounts included in the Industrial Effectiveness Program Assessment. These discounts are limited to amounts specified in d)(2) above.

(2) Discounts will be available to each qualifying Customer for a 5-year period. During the first year, the Customer will receive the entire discount as specified in the applicable Service Classification. After that, the discount will be decreased by one-fifth (1/5) until the Customer is billed at the regular rate levels at the end of the fifth (5^{th}) year.

(3) For Customers participating in the Recharge NY Power Program, the discount will be limited to the portion of load supplied by the Authority/Customer's ESCO.

(4) Modified rate periods will be available to each qualifying Customer that makes a commitment to reduce its load beginning 3 p.m. on weekdays in the summer months (June – September. For Qualifying Customers taking service under Service Classification No. 2-MRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m., for Rate Code M284 and June – September, Monday – Friday, from 3 p.m. to 10 p.m., for Rate Code M285. The hours excluded from the standard rate peak Period 2 will be added to the Intermediate period.

3. Business Incubation Program

a) Objective

This program is intended to attract new load in the Authority's service area by offering graduates of New York State sponsored Incubators reduced electric rates and the ability to choose modified rating periods when committing to reduce their load beginning 3 p.m. on weekdays in the summer months (June – September). Refer to E.3.f.3 for exact hours. Participation in this program cannot occur concurrently with any other Business Development Program except for the Recharge NY Power Program.

b) Who is Eligible
An Applicant who:

(1) Starts a business in the Authority's service area, and

(2) Takes its full load requirements under all accounts for the facility being served from the Authority or participates in the Long Island Choice Program or the Recharge NY Power Program, and

(3) Takes service under either Service Classification Nos. 2-L, 2L-VMRP, or 2-MRP, and

(4) Whose load does not exceed 1,000 kW.

(5) Applicants engaged in Retail Enterprises are not eligible for this program.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued):
Business Incubation Program (continued):

c) Application Requirements

Qualifying Customers shall:

(1) Have graduated from a New York State sponsored Incubator, and

(2) Request the Business Incubation Program prior to locating in the service area.

(3) Provide information requested by the Authority that is needed to evaluate the Applicant's eligibility at the time of application.

(4) The Authority will maintain the confidentiality of this information to the full extent permitted by law.

d) Participation Requirements

Qualifying Customers shall:

(1) Participate in appropriate conservation programs offered by the Authority, and

(2) Maintain their accounts in good standing. An account in good standing will not have arrears in excess of thirty (30) days.

e) The Authority's Rights and Obligations

(1) The Authority may require reimbursement from the Applicant, before providing an electric service, for any system reinforcement and other facility costs needed to provide that service.

(2) The Authority may deny participation in this program to an Applicant if, in the Authority's judgment, admitting the Applicant to the program would not advance the goals of expanding business activity, encouraging load retention, or minimizing the subsidization of the program by non-participants. The Authority will notify the Applicant of such denial.

f) Incentives

(1) Discounts will be available to each qualifying Customer for a 5-year period. During the first year, the Customer will receive the entire discount as specified in the applicable Service Classification. After that, the discount will be decreased by one-fifth (1/5) each succeeding year until the Customer is billed at the regular rate levels at the end of the fifth (5^{th}) year.

(2) For Customers participating in the Recharge NY Power Program, the discount will be limited to the portion of load supplied by the Authority/Customer's ESCO.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued): Business Incubation Program (continued):

(3) Modified rate periods will be available to each qualifying Customer that makes a commitment to reduce its load beginning 3 p.m. on weekdays in the summer months (June – September). For Qualifying Customers taking service under Service Classification No. 2-MRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m., for Rate Code M284 and June – September, Monday – Friday, from 3 p.m. to 10 p.m., for Rate Code M285. The hours excluded from the standard peak Period 2 will be added to the Intermediate period.

4. Empire Zone Program

The Empire Zone Program expired on June 30, 2010. Customers on this program, prior to July 1, 2010, will continue to receive rate discounts until their previously agreed upon term has expired.

Incentives

a) Discounts, specified under the applicable Service Classification, will be available to each qualifying Customer for no less than five (5) years and no longer than ten (10) years even if the life of the zone is extended.

b) Discounts will be adjusted periodically due to changes in the Authority's incremental costs and/or rates, and

c) Discounts will apply to the charges for additional energy and non-peak period demands over the previous 12-months' actual or estimated base levels at the time of participation.

d) For Customers participating in the Recharge NY Power Program, the discount will be limited to the portion of load supplied by the Authority/Customer's ESCO.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued):
Excelsior Jobs Program (continued):

e) Incentives

(1) Discount Rate, specified under the applicable Service Classification, will be available to each qualifying Customer for up to ten (10) years upon proof of Excelsior Jobs Program certification from ESD.

(2) Discount Rate will be adjusted periodically due to changes in the Authority's costs and/or rates, and

(3) Discount Rate will apply only to the delivery charges for additional energy over the previous 12-months' actual or estimated base levels at the time of participation.

(a) For Applicants relocating from outside New York State, the base levels are zero (0).

(b) For Applicants relocating from within New York State but outside the Authority's service area, the base levels are zero (0).

(c) For applicants relocating from within the Authority's service territory with no previous electric account, base levels may be estimated by the Authority.

(4) For Customers participating in the Recharge NY Program, the discount will be limited to the portion of load provided by the Authority/Customer's ESCO.

(5) If a Customer loses certification at any point during participation or otherwise fails to meet the criteria that were established for eligibility in the Excelsior Jobs Program, the discounts provided under this program are revoked back to the date when the Customer ceased to be eligible. The Customer must refund all discounts received under this program from that date forward.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued):
Recharge New York Power Program (continued):

g) Rates and Charges

(1) The billing period for Customers served under Recharge NY Power Program shall be the calendar month. When a Customer's eligibility for Recharge NY service expires, that Customer shall revert back to the billing period of the applicable service classification as specified by the Authority.

(2) In the event that NYPA is unable to deliver in any billing period any portion or all of the Recharge NY power to the Authority as contracted for, each Customer shall have their contract lowered by the amount of reduced deliveries, allocated on a pro rata basis across all current Recharge NY contract demands. All such load not delivered and subsequently replaced with load supplied by the Authority/Customer's ESCO shall be billed according to the rates and provisions of the Service Classification applicable to the Customer's load served by the Authority during the periods of the reduced deliveries.

(3) Customers served under Recharge NY Power Program are subject to the following:

(a) Customers served under Recharge NY Power program will be subject to the rates, charges, terms and conditions specified in their applicable service classification: and

(b) Recharge NY allocations under this program will not be charged for the Authority's Power Supply Charge, Revenue Decoupling Mechanism, Delivery Service Adjustment and the Distributed Energy Resources Cost Recovery Rate.

(c) The increase in Rates and Charges to Recover PILOT Payments, the Merchant Function Charge, the New York State Assessment, the Securitization Offset Charge, and all other Adjustments to Rates and Charges not specifically excluded above will be applied to the Customer's bill.

(d) The Securitization Charge will be applied to the Customer's bill.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):

E. Adjustments to Rates to Encourage Business Development (continued): Recharge New York Power Program (continued):

e) Allocation of Billing Determinants between Recharge NY Power and Authority/Customer's ESCO-supplied Service Requirements

Where a Recharge NY Power allocation is not sufficient to meet the full requirements of a Customer in any billing period, the billing demand and billing energy for that Customer will be determined as follows:

(1) For a Customer not currently subject to an existing load sharing arrangement, the billing demand and the billing energy for the Recharge NY Power Program shall be determined by multiplying the Customer's metered demand and energy for the current billing period by the ratio of the Customer's Recharge NY Power allocation to the Customer's highest metered demand for the current billing period. Such ratio shall not be greater than one (1.0). The remaining amounts of demand and energy, if any, shall be billed by the Authority to the Customer under its Tariff at the non-Recharge NY Power rates otherwise applicable to the Customer.

(2) For a Customer subject to an existing load sharing agreement, the provisions of that arrangement shall govern the computation of Recharge NY Power service billing determinants for the affected Customer.

IX. Long Island Choice Program (continued):

A. General Provisions (continued):

1. Who is Eligible

a) In order to participate in the Long Island Choice Program, an Eligible Customer is a Customer who is eligible for service under Service Classification Nos. 1, 2, 2-VMRP, 2L, 2L-VMRP, or 2-MRP, 5, 7, 7A, 10 and:

(1) Receives metered or authorized unmetered electric service from the Authority, and

(2) Receives all of their electric requirements from a single supplier except for:

(a) the output from Solar or Wind Electric Generating Equipment that qualifies for net metering, and

(b) Non-net metered ReCharge NY Customers (Rate Code 680), and

(3) Is not explicitly excluded in 2.b), below, and

(4) A Direct Retail Customer (DRC) or customer who contracts with an authorized Energy Services Company (ESCO) to act as its agent for the scheduling and delivery of Electric Generation Service.

b) Customers who are not eligible to participate in the LI Choice Program are:

(1) Customers who receive service under Service Classification Nos. 11, 12 (except for Rate Code 680, which is eligible) and 13.

(2) Customers who sell power to the Authority as Qualifying Facilities or Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cells and Wind Customer-generators that do not qualify for net metering.

(3) Customers who receive a portion of their electric requirements from self-generation or on-site generation that does not qualify for net metering, and require supplemental, backup or maintenance service from the Authority.

(4) Customers who receive service under provisions related to Residential Off-Peak Energy Storage served under Service Classification No. 1.

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Long Island Choice Program

Operating Procedures

1 INTRODUCTION

1.1 Purpose

The purpose of these Long Island Choice Operating Procedures is to provide procedures and requirements of the Long Island Choice Program ("LI Choice Program") within the Authority's Service Area. The Long Island Choice Program allows retail customers to choose an Energy Service Company ("ESCO") to provide their Electric Generation Service.

This document should be read in conjunction with the LIPA Electric Service Tariff and Uniform Business Practices for Electric Energy Service Companies in the LIPA Service Territory ("UBP-LI-ESCO"). Although this document specifies certain non-Tariff rules applicable to the LI Choice Program, it is not meant to replace the applicable rate schedules in the LIPA Electric Service Tariff that will govern LI Choice Program transactions. In the event of any inconsistency between the Tariff and this document, the Tariff will govern. In the event of any inconsistency between the UBP-LI-ESCO and this document, the UBP-LI-ESCO will govern.

The LI Choice Program also allows certain customers, who meet the criteria described herein; to become Direct Retail Customers ("DRCs") and therefore accept responsibility for certain functions provided to other LI Choice customers by ESCOs.

A list of definitions, including acronyms, is set forth in Section 2.0.

1.2 Incorporation by Reference

The terms and conditions of the following documents are incorporated by reference into these Operating Procedures and are made a part hereof:

- Tariffs, rules and procedures of the NYISO, as applicable, associated with the purchase, sale, transmission and distribution of electric energy, installed capacity, and ancillary services, as the same may be amended, modified, supplemented, or superseded from time to time.
- Energy Service Company Operating Agreement (Attachment C), or Direct Retail Customer Operating Agreement (Attachment D), as applicable.
- LIPA's Tariff for Electric Service, as the same may be amended, modified, or supplemented from time to time.
- The UBP-LI-ESCO document as the same may be amended, modified, supplemented or superseded from time to time.
- Decisions by the Authority or its President and Chief Executive Officer involving the Program.

2 DEFINITIONS

Authority
The Long Island Power Authority ("LIPA"). Depending on usage, this term may include or refer to the Authority's subsidiary which owns the electric transmission and distribution system, and/or the Manager, which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Operations Services Agreement.

Bundled Service
The services offered by the Authority under Sections I-VIII of LIPA's Tariff for Electric Service. The Authority's Bundled Service includes Authority-provided Electric Generation Service as part of the total service.

Business Day
Any weekday the Authority's offices are open.

Consolidated Billing
An option that provides Customers the capability of receiving a single bill from the Authority that combines the Authority's charges for delivery services and other services it provides and the charges from their ESCO for Electric Generation Service and any related services it provides. This option is not available for ReCharge NY Customers at this time.

Direct Retail Customer ("DRC")
An entity that purchases and schedules delivery of electricity for its own consumption and not for resale. A customer with an aggregated minimum peak connected load of one (1) MW to a designated zonal service point qualifies for direct purchase and scheduling of electricity provided the customer complies with NYISO requirements.

Dual Billing ("Two Bill Option")
A billing option that provides for separate calculation of charges and presentation of bills to the customer by the Authority and ESCO. Provides customers the capability of receiving one bill from the Authority for delivery services and other services it provides, and a separate bill from their ESCO for Electric Generation Service and any related services it provides.

Electronic Data Interchange ("EDI")
The computer-to-computer exchange of routine business information in a uniform standard form to facilitate competitive services; such as, the exchange of customer history, usage and billing data among the computers of the Company and non-Company service providers. EDI is not available for ReCharge NY Customers at this time. A non-EDI process will be utilized for ReCharge NY Customers.

Electric Generation Service
The procurement and transmission of the "commodity of electricity" which is electric energy, capacity and related ancillary services to the Authority's system, but not including their transmission or distribution across the Authority's receipt points or along the Authority's electric system to the Customer meter.

Eligible Customer
A customer that meets the eligibility criteria set forth in the LI Choice Tariff.

Energy Service Company ("ESCO")
An entity that is deemed eligible by the New York State Department of Public Service and qualified in the Authority's service territory to provide electric supply, transmission and customer service

functions in a competitive environment, including producing or contracting for and supplying Electric Generation Service and related services, and procuring and scheduling transmission and ancillary services to deliver the Electric Generation Service purchased by Participating Customers to the Authority's electric system.

Installed Capacity ("ICAP")
The installed capacity that must be maintained by Load Serving Entities (LSEs) in accordance with NYISO requirements. An LSE's total ICAP requirement is based on forecasted peak load at customer meters adjusted for line losses and reserve margin requirements.

LIPA Tariff for Electric Service
For the purposes of this document, shall indicate the Long Island Power Authority's Tariff for Electric Service Applicable in Fifth Ward, Borough of Queens, City of New York, and Cities, Towns and Villages in Nassau and Suffolk Counties, State of New York.

LI Choice Tariff
Section IX of LIPA's Tariff for Electric Service.

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.

Non-Residential Customer
All other service classifications defined as eligible customers in the LI Choice Tariff and not included as Residential Customers.

NYISO
New York Independent System Operator or its successor organization.

NYSRC
New York State Reliability Council or its successor organization.

Participating Customer
An Eligible Customer who has enrolled in the Program through an authorized ESCO.

ReCharge NY Customer(s)
Customers participating in the Authority's ReCharge NY Power Program as described in LIPA's Tariff.

Service Area
The Authority's electric service territory, which includes Long Island and the Rockaways.

Slamming
A change of a customer to another ESCO without the customer's authorization that is not in accord with the provisions set forth in the UBP-LI ESCO.

Universal Business Practices for Electric Energy Service Companies in the LIPA Service Territory (UBP-LI-ESCO)
A document that provides for consumer protections, streamlined business transactions and communications protocols between ESCOs and the Authority.

3 Key Provisions of the LI Choice Program

3.1 For Participating Customers

Under the LI Choice Program as more fully described herein and subject to the Tariff and the UBP-LI-ESCO, a customer may:

3.1.1 Choose a provider of energy, capacity and related services from among eligible ESCOs and authorize the ESCO to act as its agent in connection with the transmission and balancing of energy on the customer's behalf. A customer may designate only one ESCO to serve an individual electric account.

3.1.2 The LIPA Electric Service Tariff identifies the obligations of an ESCO and DRC.

3.1.3 Authorize the Authority to provide and ESCOs to receive information on their usage history and payment status from the Authority and, if enrolled in the LI Choice Program, current billing information.

3.1.4 Purchase energy from an ESCO and delivery services from the Authority.

3.1.5 Switch ESCOs, or take Provider of Last Resort ("POLR") service from the Authority.

3.1.6 Have billing questions and other inquiries resolved through their ESCO or the Authority, depending on the nature of the question. For example, questions about energy supply billing should be directed to the ESCO.

3.2 For ESCOs

Under the LI Choice Program, within the limitations specified herein and subject to the Tariff and the UBP-LI-ESCO, ESCOs shall:

3.2.1 Obtain a determination of eligibility from the Department of Public Service; register, if appropriate, with the Federal Energy Regulatory Commission ("FERC") or the New York Independent System Operator ("NYISO"); and comply with applicable regulatory and other legal requirements, including the requirements set forth in the UBP-LI-ESCO, which is an Addendum to the Tariff, and any subsequently adopted requirements.

3.2.2 Enter into and comply with the terms of the ESCO Operating Agreement, Data Security Agreement and Billing Service Agreement with the Authority, and NYPSC's rules and requirements applicable to ESCOs.

3.2.3 Complete Attachment A – ESCO Contact Information Sheet and provide to the Authority.

3.2.4 Contract with retail access customers to meet their energy and capacity supply needs, obtain, and retain the customers' authorization to act as their agent for delivery of that energy to the Authority's distribution system.

3.2.5 Contract for and deliver a supply of energy and capacity sufficient to meet the electric power supply needs of customers purchasing their electric power supply requirements from it.

3.2.6 Provide the Authority with information necessary for customer enrollment and de-enrollment in the Retail Access Program.

3.2.7 Comply with NYISO's requirements in acting as the agent of the retail access customer to schedule deliveries of energy to the Authority's distribution system.

3.2.8 Settle any discrepancies in deliveries with customers' actual energy consumption in accordance with NYISO procedures.

3.2.9 Comply with all applicable tariffs, rules and procedures of the North American Reliability Corporation ("NERC") and the NYISO, the Operating Agreement, LIPA's Tariff for Electric Service, and these Operating Procedures, as the same may be amended, modified, supplemented, or superseded from time to time.

3.2.10 Be responsible for billing and collecting from its customers charges for services it rendered unless otherwise arranged with the Authority.

3.3 For The Authority

Under the Long Island Choice Program, as more fully described in this procedure and subject to the Tariff, the Authority shall:

3.3.1 Assist customers to make the transition to retail access by providing the names of ESCOs registered with the Commission and approved to do business in the Authority's service territory.

3.3.2 Assist ESCOs in their role in the market by providing information on the LI Choice Program and, as required by the UBP-LI-ESCO, on historic customer usage, billing, and credit.

3.3.3 Provide information to ESCOs to bill and schedule for customers including consumption and load shapes for customers without hourly metering.

3.3.4 Bill and collect from ESCOs charges for services rendered under the ESCO Operating Agreement.

3.3.5 Bill and collect from DRCs for services rendered under the ESCO Operating Agreement.

3.3.6 Bill and collect from LI Choice Program participant's charges for services rendered under the LIPA Tariff for Electric Service.

3.3.7 Respond to inquiries from customers and ESCOs regarding service provided by the Authority.

4 Eligibility Requirements

4.1 ESCO and DRC Eligibility and Compliance

To be eligible to participate in the LI Choice Program, ESCOs, excluding DRCs, must file an application ("eligibility filing") with the Department of Public Service ("Department") Consumer Services Division and receive approval of such application in accordance with Section 2 of the UBP-LI-ESCO. The NYPSC may be contacted at their web site, http://www.dps.ny.gov/.

The detailed requirements outlined in the UBP-LI-ESCO", Section 2, "Eligibility Requirements", include the following categories:

- ESCO Application Requirements - Applicants seeking to sell electricity as ESCOs are required to submit to the Department an application package containing the details provided in Section 2 B. of the UBP-LI-ESCO.
- Department Review Process - The Department shall review the Application information and documentation submitted by each applicant and make an initial determination as to the applicant's likelihood of compliance with the UBP-LI-ESCO. Section 2 C. of the UBP-LI-ESCO.
- Maintaining ESCO Eligibility Status – The details contained in Section 2. D of the UBP-LI-ESCO.

Upon the NYPSC's affirmative determination of eligibility, participating ESCOs will enter into an ESCO Operating Agreement with the Authority in the form provided in Appendix C. A Direct Retail Customer will enter into an ESCO Operating Agreement with the Authority in the form provided in Appendix D.

ESCOs and DRCs must also establish and maintain the status of a qualified load serving entity (LSE) as determined by the New York Independent System Operator (NYISO), including executing any necessary service agreements under the NYISO Tariffs, or contract with another NYISO qualified LSE. DRCs must also complete Attachment B, DRC Contact Information and provide to the Authority.

Obtain and retain each LI Choice Customer's written, electronic, or taped verbal authorization[1] designating the ESCO as agent for receiving customer billing information from the Authority and for procuring and scheduling the transmission and ancillary services necessary to deliver electric generation service purchased by the customer to the Authority's electric system.

4.2 Marketing Standards

The standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York is detailed in Section 10 of the UBP-LI-ESCO for the following areas:

- Training of marketing representatives.
- Procedures for contact with customers, which includes in person, via telephone and electronically.
- Overall conduct of ESCOs.
- Dispute resolution associated with marketing activities.

[1] *Written, Electronic, or taped verbal authorization must follow the requirements outlined Section 5, Attachments 1 through 3 of the UBP-LI-ESCO.*

5 CUSTOMER ELIGIBILITY AND ENROLLMENT

5.1 Customer Eligibility Criteria

A customer (DRC) with monthly demand of 1MW or greater may directly procure energy, capacity and related services for its own consumption and not for resale without an ESCO. A customer may designate only one ESCO to serve each electric account.

5.2 Establishing Customer in LI Choice Program

The procedures for obtaining a customer's authorization and enrollment/de-enrollment procedures are set out in Section 5 – "Changes in Service Providers" of the UBP-LI-ESCO which establishes the practices for receiving, processing, and fulfilling requests for changing a customer's electricity provider and for obtaining a customer's authorization for the change and covers the following items:

- Customer Agreement – an ESCO, or its agent, may solicit and enter into a sales agreement with a customer.
- Customer Enrollment Procedures – the procedures between the Authority and the ESCO to enroll customers in the LI Choice Program.
- Customer Notifications – timing and requirements for notifying a customer of enrollment in the LI Choice Program.
- Rejection of Enrollment Requests – reasons for which the Authority may reject an enrollment request.
- Customer Relocations Within a Service Territory – procedures for a LI Choice customer requesting relocation of service within the Authority's service territory and continuation of its ESCO service.
- Customers Returning to Full Utility Service – procedures for a LI Choice customer to return to full utility service.
- New Delivery Customers – procedures for new delivery customers who also request service under the LI Choice Program.
- Multiple Assignments of Sales Agreements between ESCOs – procedures for an ESCO that may assign all or a portion of its sales agreements to other ESCOs.
- Unauthorized Customer Transfers – A change of customer to another ESCO without the customer's authorization, commonly known as slamming is not permitted.
- Lists of ESCO Customers Budget Billing, Charges and Fees – information that the Authority shall provide to an ESCO upon request.
- Additional Requirements:
  - Telephonic Agreement and Authorization/Third Party Verification Requirements
  - Electronic Agreement and Authorization Requirements
  - Written Agreement and Authorization Requirements
  - Sample Customer Disclosure Statement
  - Enrollment and Drop Request Information Requirements

5.3 Verification Letter Process

In accordance with UBP-LI-ESCO Section 5.E, the Authority shall notify customers under the circumstances of enrollment and cancellation under the LI Choice Program.

5.4 Changes of ESCO

If a customer chooses to change its ESCO, the parties involved must adhere to the procedures for changes in service providers set forth in Section 5 – "Changes in Service Providers" of the UBP-LI-ESCO.

5.5 Slamming Prevention Process ("Slamming")

The switching of a customer from one energy supplier to another without the customer's knowledge or approval ("Slamming"), is prohibited. All instances of an unauthorized change of energy providers reported by customers to the Authority under the notification procedures required by Section 5.K of the UBP-LI-ESCO will be reported to the Department of Public Service.

5.6 Historic Customer Information

In accordance with the details in Section 4 of the UBP-LI-ESCO, the Authority will provide customer information directly to the customer or their authorized designees. The information will include:

- Billing Determinant Information – The Authority shall provide this information upon acceptance of a ESCOs enrollment request.
- Customer Contact Information - The Authority shall provide this information upon ESCO request.
- Credit Information – The Authority shall provide this information upon ESCO request.

For customers requesting interval data[2], with the customers consent, the ESCO has the capability via the customer's "My Account"[3] to access the customer's interval data. The ESCO can then download the data.

For certain customers, additional usage data may be available from the Authority including:

- up to 48 months of monthly or bi-monthly usage data beyond the 24 months of data initially provided.

Requests for additional historical customer usage beyond 24 months will be responded to, by either supplying the requested additional information, specifying when such information will be provided, or advising that such information does not exist. The information will be provided electronically. The Authority will bill the ESCO for such additional information at the charges listed on Leaf No. 306 of the LI Choice Tariff.

5.7 Termination or Discontinuance of Service

The Authority may terminate service to a LI Choice Customer in accordance with its Tariff for Electric Service. The Authority will notify the ESCO of such termination regarding LI Choice Customers electronically. During the period of disconnection, a LI Choice Customer's ESCO is no longer obligated to secure Electric Generation Service for the LI Choice Customer, and the Authority is not obligated to provide delivery service to the LI Choice Customer or DRC.

[2] Interval data is available to MRP 1 and MRP 2 Service Classification customers. Interval data is simply meter data collected at defined intervals, typically every 15 minutes or hourly.

[3] https://www.psegliny.com/myaccount

6 Customer Inquiries

6.1 Overview

The requirements by an ESCO or the Authority for responses to LI Choice Program inquiries are set forth in Section 6 of the UBP-LI-ESCO and include the processes and procedures between the Authority and ESCOs to resolve customer inquiries and any specific requests for information.

7 Creditworthiness

7.1 Overview

An ESCO or DRC must satisfy the creditworthiness requirements set forth in Section 3 of the UBP-LI-ESCO, which includes the following:

- Credit Ratings
- Verification of ESCOs equity
- Acceptable security instruments
- Security requirements and maintenance

8 Dispute Resolution Procedure

8.1 Overview

Section 8 of the UBP-LI-ESCO describes the dispute resolution processes available at the Department of Public Service to resolve disputes relating to competitive energy markets involving the Authority, ESCO, or DRC including disputes alleging anti-competitive practices.

Disputes between Long Island Choice customers and the Authority will follow the consumer complaint procedures in Section VI of the LIPA Electric Service Tariff. The Department of Public Service will accept, investigate, mediate to resolve and make recommendations to the Authority and/or the Manager regarding the resolution of complaints from consumers.

9 SWITCHING REQUIREMENTS

9.1 ESCO Requirements

As detailed in Section 5 of the UBP-LI-ESCO, the Authority requires the following of ESCOs who wish to initiate service with an ESCO:

- ESCO's must notify the Company at least five (5) business days prior to the desired switch date;
- ESCO's must transact all enrollments, drops, changes and reinstatements using the prescribed EDI transactions. EDI is not available for ReCharge NY Customers at this time. A non-EDI process will be used for ReCharge NY Customers;
- ESCO's must also provide information about the customers' special needs if any;
- Only one ESCO per meter may serve customers.

The Company will send confirmation of each switch request to the customer and the Retail Supplier within one (1) business day.

9.2 Notice Period Required and Switch Date

- The notice for an electric switch must be submitted at least five (5) business days before either the customer's regular meter reading date or the proposed date for a special meter reading;
- A special meter reading to initiate the switch of a customer may be arranged for a fee if the regular reading would not occur on the fifteenth day after the notice;
- The switch of electric supplier will occur on the earlier of the regular or special meter reading date.

9.3 Frequency of Subsequent Switches

Customers may voluntarily choose to return to the Authority as a full-service customer; or, voluntarily switch to another ESCO except that if multiple switch requests are received during a single billing cycle, only the first valid switch request will be honored.

Customers voluntarily switching to another ESCO or returning to the Authority's full-service may be subject to restrictions in their agreement with their current supplier.

9.4 Switching Fees

The Authority will not charge a customer to switch from the Authority's full-service to an ESCO or to switch from an ESCO to another ESCO (or back to the Authority).

9.5 Special Meter Reading Fees

The Authority's rules and procedures for special meter readings and the associated fees are provided in the LI Choice Tariff. A special meter reading is a reading that is performed on a date other than the customer's regularly scheduled meter reading date. The Authority requires at least fifteen (15) calendar days advance notice before a special meter reading date may be scheduled.

9.6 Verification of Accounts

The Authority will provide monthly, a listing of the Retail Supplier's customers that received retail access services from such Supplier as of the first calendar day of the month.

10 ENERGY BALANCING

10.1 Overview

The Authority is responsible for calculating the ESCO's actual energy withdrawals for each hour of the month and providing it to the NYISO. The NYISO requires this data to calculate and bill ESCOs for energy imbalances.

The Authority uses actual interval meter data or monthly/bi-monthly usage and load profiles to calculate the hourly usage for each customer.

- For customers who do not have interval meters, the Authority uses monthly/bi-monthly usage and a load profile to estimate hourly energy usage.

- For customers who have interval meters, the Authority uses the interval data to determine hourly energy usage.

Loss factors are applied to the customer's hourly usage data based on their Voltage Delivery Level (VDL). The loss factors for each VDL are published in the LIPA "Statement of Energy and Peak Demand Losses".

After adjusting for losses, the customer hourly usage data for the billing month is aggregated by hour for each ESCO and submitted to the NYISO according to the dates published in the NYISO "Hourly Tie-line", Generator, and LSE Bus Meter Data Review, Revision, And Lock-down Schedule".

Load profiles are based on existing hourly load profile data for the Authority's major electric rate classes. The profiles are differentiated by season, temperature and day type.

To assist ESCOs in estimating the energy requirements of their customers, The Authority makes the load profiles available to them.

The Authority may revise the load profiles in the future, as it deems necessary. The Authority will advise ESCOs of any significant changes at least 30 calendar days prior to using revised profiles.

11 ARRANGING TRANSMISSION

11.1 Overview

The ESCO, as agent for the LI Choice Customer, or the DRC will arrange for transmission service to deliver Electric Generation Service to the LI Choice Customers. For on-Island generation owned or contracted for by ESCOs or DRCs, the LI Choice Customer will take title to the energy at the generator's interconnection with the Authority's electric system. For purchase of off-Island energy, the LI Choice Customers will take title to the energy before it is delivered to the Authority's electric system. ESCOs and DRCs are responsible for scheduling energy deliveries to the LI Choice Customer.

ESCOs, as agents for LI Choice Customers, or DRCs may schedule transmission deliveries to on-Island load only under the applicable NYISO Tariff. Therefore, if an ESCO or DRC wishes to use the Authority's transmission system for non-LI Choice Program deliveries on or through the Authority's electric system, the ESCO or DRC must enter into a separate wheeling agreement with the Authority pursuant to the applicable NYISO Tariff.

12 INSTALLED CAPACITY (ICAP) REQUIREMENTS

12.1 Overview

ESCOs and DRC's must meet the NYISO installed capacity requirements in accordance with the applicable NYISO Tariff. ESCO's and DRC's will be required to purchase and/or self-supply all capacity resources that are required to meet both local and off island capacity requirements as established by the NYISO.

13 BILATERAL CONTRACTS BETWEEN THE AUTHORITY AND ESCOS/DRCS

13.1 Overview

The Authority, at its discretion may agree to enter bilateral contracts with ESCOs who may wish to purchase energy from the Authority from time to time on a nondiscriminatory basis. Interested ESCOs should contact the Authority for details. The Authority reserves the right to place limitations on the amount of energy available for such contracts and such contracts may be offered on a first- come, first-served basis subject to availability.

14 UNMETERED SERVICE AND FAST METERS

14.1 Overview

The Authority will calculate an adjustment to the customer's bill for unauthorized unmetered service and fast meters in accordance with the LIPA Tariff for Electric Service. The customer's bill will be adjusted using the Tariff rates for Bundled Service, to reflect the change in electricity delivered to the customer.

If applicable, the change in electricity deliveries will be applied to the ESCO's load and forwarded to the NYISO. Adjustments will be calculated according to the provisions of the applicable NYISO Tariffs and these Operating Procedures.

Adjustments will not be made after the period for NYISO closeout settlement adjustment has expired.

15 MAJOR SYSTEMS OUTAGES

15.1 Overview

In the event of a major system outage, the NYISO and/or the Authority may, at their discretion, declare a "system emergency." Under a system emergency, The Authority may assume responsibility for scheduling all customer loads within its transmission and distribution system in accordance with NYISO Tariffs. If requested by the Authority, the ESCO and/or DRC shall allow the Authority to schedule capacity and energy resources during the declared emergency. A cost-based settlement for energy provided by ESCOs/DRCs and the Authority and provided to customers will be negotiated by both parties.

16 PRODUCT DISCLOSURE

16.1 Overview

The Authority believes that LI Choice Customers should have information about the costs and environmental characteristics of their power supply. Therefore, the Authority requires disclosure of this information to customers through a product label in compliance with the New York State Public Service Commission's Environmental Disclosure Requirements and other Commission Orders, Rules or Regulations in connection with New York State's Environmental Disclosure Program.

17 LI CHOICE CUSTOMER BILLING AND SERVICES

17.1 Services to LI Choice Customers

Consistent, with Section 9 B.1 of the UBP-LI-ESCO, the Authority shall offer to ESCOs without undue discrimination the billing and payment processing that is currently available in its service territory. Currently, customers who are participating in the Long Island Choice program will receive separate bills ("Dual Billing") from the Authority and their ESCO. Consolidated Billing with Purchase of Receivables ~~will be~~is offered in the LIPA service territory~~ at a future date~~, with the exception of ReCharge NY Customers who are not eligible for Consolidated Billing at this time.~~.~~ The Authority is responsible for the following:

- Delivering Electric Generation Service across the Authority's electric system to each LI Choice Customer location;
- Responding to inquiries from LI Choice Customers regarding services provided by the Authority; refer inquiries from LI Choice Customers regarding Electric Generation Service and related services to the appropriate ESCO.
- Responding to service interruptions;
- Investigating and address power quality issues;
- Provide customer service support for delivery services;
- Being the Provider of Last Resort (POLR) for those Authority customers who do not participate in the Program, or whose Agreements with an ESCO terminate and designation of another ESCO to provide Electric Generation Service has not been indicated.

17.2 Dual Billing Option

Under the Dual Billing option, Section 9 of the UBP-LI-ESCO details the responsibilities of both the Authority and ESCO.

The Authority and ESCO, acting as separate billing parties, shall render separate bills directly to the customer or the customer's representative. The customer or its representative shall pay the Authority and the ESCO separately.

The Authority will bill and collect from LI Choice Customers charges for delivery services and any other services it provides under the LI Choice Tariff.

The ESCO will bill and collect from LI Choice Customers charges for Electric Generation Service and any related services it provides.

17.3 Consolidated Billing with Purchase of Receivables

Under the Consolidated Billing option, Section 9 of the UBP-LI-ESCO details the requirements for billing and payment processing offered by the Authority and ESCO, which includes the following:

- General requirements
- Billing functions and responsibilities
- Billing content
- Bill issuance
- Cancellations and rebills
- Payment processing and remittance
- Application of payments

Consolidated Billing is not available to ReCharge NY Customers at this time.

18 BILLING AND SERVICES TO ESCOS AND DRCS

18.1 Billing and Payment

In accordance with Section 7 of the UBP-LI-ESCO, invoices shall be issued to ESCOs/Direct Customers monthly for extraordinary customer data provided on request (over and above the information provided without charge), special meter reading charges, adjustments to prior invoices, and other retail Tariff services provided at the request of the ESCOs/Direct Customers.

18.2 Special Services

The ESCO, DRC or customer requesting such services shall pay any fees for special services rendered by the Authority. Examples of such fees would include those for special metering equipment, special meter reads, and additional customer historic usage information as provided in the LI Choice Tariff.

Collections from Customers - The Dual Billing option requires that the Authority and ESCO collections be performed independently.

Unmetered service will be handled in accordance with Section 14.

19 METERING

19.1 Provision of Meters

All Electric Generation Service delivered by the Authority to a LI Choice Customer shall be measured by electric meters, which shall be owned, installed and maintained by the Authority. Customers may continue to use the same metering equipment and meter reading process that is in place at the time of their enrollment in the Program.

Customers shall own, install, and maintain all conduit and wiring systems required for installation of meters and metering instrument transformers. The Authority shall make all final connections to metering equipment. The customer may own, install, and maintain other meters and metering instrument transformers for the purpose of measuring delivered electricity, provided that it is installed on the load side of the Authority's billing meter.

The Authority retains all rights to access, read, install, remove, maintain and change meter types. If a meter change results from a change to the customers' rate code or rate structure, notification of this change will be given to the ESCO.

19.2 Meter Reading

The Authority will retain responsibility for reading all the Authority-owned LI Choice Customer meters. LI Choice Customer billings by the Authority and the ESCOs will be based upon the Authority readings of the Authority-owned meters. The Authority's meter reading policy is outlined below:

19.2.1 Scheduled Meter Readings
The Authority will read customers' meters and record both kWh and kW (if applicable) using its existing meter reading routes and schedules. These schedules may be modified occasionally to meet operating needs and efficiencies.

19.2.2 Estimating
If no meter reading is available, or if a meter reading is not usable, estimating will be done according to current the Authority's operating practices.

19.2.3 Access
The Authority retains all rights of access to read, install, remove, and maintain meters, or change meter types. In addition, the Authority is responsible for installing and removing anti-tampering devices on the meter. Failure by the Authority to gain access to meters at reasonable times may result in a no-access charge in accordance with procedures outlined in LIPA's Tariff for Electric Service.

19.2.4 Special Readings
Special meter reading requests by ESCOs or LI Choice Customers for the ESCOs' purposes

will be performed for a fee, with at least 72 hours' notice, if scheduling can accommodate such a meter reading. Rules and procedures for special meter readings and the associated fees are provided in the LI Choice Tariff.

CONTACTS

TO LIPA:

Long Island Power Authority
333 Earle Ovington Blvd., Suite 403
Uniondale, NY 11553

To The Manager:

ESCOInquiriesLI@pseg.com

Or

PSEG Long Island
15 Park Drive
Melville, NY 11747
Attention: Back Office Billing Department

20 ATTACHMENT A ESCO CONTACT INFORMATION

Please complete each of the sections below:

Market Segment: Please circle choice(s): NON-RESIDENTIAL RESIDENTIAL

INFORMATION TO POST ON THE MANAGERS WEBSITE:

Contact Department:____ Contact Phone: ____ Contact Fax:_________________________ Email Address:____

Email Address To Receive Historical Use:

Email Address:______

Toll Free Billing Phone And Email Address To Receive Enrolled Customer Billing Information and General Customer Information from LIPA:

Contact Name: Billing Phone (must be toll free):____ Email Address:______

Email Address To Send ESCO Bills and/or Information:

Contact Name: Email Address:_____

Questions or Information

Contact Name:___________________ Contact Phone:______ Contact Fax::_ ______ Email Address:_________________________

21 ATTACHMENT B - DRC CONTACT INFORMATION

Contact Name: ____________________

Billing Phone: ____________________ Email Address: ____________________

Email Address To Send DRC Bills and/or Information:

Contact Name: ____________________

Email Address: ____________________

Questions or Information

Contact Name: ____________________

Contact Phone: ____________________ Contact Fax: ____________________

Email Address:____________________

22 Attachment C – ESCO Operating Agreement

LONG ISLAND CHOICE PROGRAM

ENERGY SERVICE COMPANY OPERATING AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____day of __________, between Long Island Electric Utility Servco LLC ("Agent") as agent for and acting on behalf of the Long Island Lighting Company d/b/a LIPA ("LIPA"), a wholly owned subsidiary of the Long Island Power Authority, a corporate municipal instrumentality and political subdivision of the State of New York ("Authority"), and_________________, a [corporation] [other form of business organization] authorized to operate as an Energy Service Company ("ESCO") in the State of New York. LIPA and the ESCO may be referred to individually as a "Party" and collectively as the "Parties". Agent is executing this Agreement on behalf of LIPA in its capacity as agent for LIPA, and Agent is not a principal party to this Agreement.

WHEREAS, the Authority has established a retail choice program for the delivery of energy services to retail customers of LIPA (the "Long Island Choice Program" or "LI Choice"), and

WHEREAS**,** pursuant to the Amended and Restated Operation Services Agreement dated December 31, 2013, as it may be restated, amended, modified, or supplemented from time to time ("A&R OSA"), between LIPA and PSEG Long Island LLC ("PSEG LI"), PSEG LI through its operating subsidiary, Agent, has assumed managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA ("T&D System") as of January 1, 2014. Accordingly, Agent will administer this Agreement and shall be LIPA's representative in all matters related to this Agreement, including all attachments and exhibits as applicable; and

WHEREAS, ESCO desires to sell electric generation service to the retail customers of LIPA selected to participate in the Long Island Choice Program ("LI Choice Customers"), and

WHEREAS, the Department of Public Service has approved ESCO’s application to operate as a retail supplier in New York State.

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, LIPA and ESCO agree as follows:

I. Terms and Conditions of Operation. LIPA and ESCO's operating arrangements will be governed by the applicable terms and conditions of the documents ("Program Documents") identified below. Each of these documents may be amended, modified, supplemented or superseded from time to time by action, as applicable, by the Authority, or other state or federal regulatory bodies. Only the provisions of the Program Documents which are in force at any time, as those documents change from time to time, are deemed to be incorporated herein and made a part hereof.

A. The following sections of LIPA's Tariff for Electric Service: Sections I - VIII (the "Bundled Service Tariff') and Section IX (the "LI Choice Tariff').

B. The UBP-LI-ESCO.

C. The Authority's LI Choice Program Operating Procedures.

D. The tariffs, rules and procedures of the New York Independent System Operator ("NYISO") and the New York State Reliability Council related to the requirements for the generation and transmission of electric capacity and energy, capacity reserve requirements and the provision of ancillary services.

E. Decisions by the Authority or its Chief Executive Officer involving the LI Choice Program.

II. Term. This Agreement shall be effective from the date set forth above through the occurrence of the earliest of the events set forth below:

A. The termination of this Agreement by the ESCO upon 15 calendar days' advance written notice to LIPA and the Authority and by the ESCO' s adherence to the provisions of the Operating Procedures and the LI Choice Tariff for transferring responsibility for service of the ESCO's customers;

B. The termination of the Long Island Choice Program; or

C. An ESCO abandons its eligibility status; or such status is revoked by the Commission through a final order pursuant to UBP-LI-ESCO.

Provided, however, that the applicable provisions of this Agreement shall continue in effect after termination or cancellation of such Agreement to the extent necessary to provide for final billing, billing adjustments, payments, disposition of any outstanding claims, and related matters.

III. ESCO's Representations and Warranties. The ESCO makes the following representations and warranties to LIPA:

A. The ESCO is in compliance with all of the requirements of the Long Island Choice Program set forth in the Program Documents and will adhere to same through the term of this Agreement.

B. The ESCO shall notify LIPA and the Authority in writing within 5 business days of any complaints where the PSC or DPS determined that the ESCO violated its eligibility status or any PSC or DPS requirements of an ESCO.

C. The ESCO will not, either directly or indirectly, engage or participate in or encourage others to engage or participate in (1) the practice of transferring Long Island Choice Customers without authorization (slamming); (2) the practice of billing a LI Choice Customer for services not requested and authorized by the LI Choice Customer (cramming[4]); or (3) other activities prohibited in the Operating Procedures and UBP-LI-ESCO.

IV. Limitation of Liability and Indemnification.

A. Definitions. For purposes of Section IV of this Agreement, (1) the term "damages" shall mean all losses, direct and consequential damages (including economic loss), judgments, costs, expenses, claims and legal expenses (including reasonable attorney and consulting fees), and (2) references to LIPA and the Authority shall be interpreted to include each of their respective Trustees, or Directors, officers, employees and agents.

[4] *The addition of unauthorized charges to a customer's bill.*

B. Limitations of Liability.

1. The limitations of liability in the Bundled Service Tariff under Section I. C. 7 are hereby incorporated and shall apply as if fully set forth herein.

2. Neither LIPA, Agent nor the Authority shall be liable to the ESCO for any damages arising from the claims of either the ESCO, other ESCOs or a LI Choice Customer relating to:

(a) LIPA's or the Authority's performance of its obligations under LI Choice pursuant to the Program Documents or this Agreement or any legal or regulatory requirement arising in connection with LI Choice; or

(b) a LI Choice Customer's failure to satisfy its obligations under the Program Documents, its agreement(s) with the ESCO or under any other legal or regulatory requirements arising in connection with LI Choice.

C. Indemnification. The ESCO shall indemnify, defend and hold harmless LIPA, Agent and the Authority, any affiliate of LIPA, Agent and the Authority and any of their successors, assigns, directors, trustees, officers, agents and employees (each an "Indemnified Person") for any of the following:

1. Damages imposed upon an Indemnified Person relating to the occurrence of any of the events described under Section IV. B. above.

2. Damages imposed upon an Indemnified Person with respect to damages to a LI Choice Customer attributed to any of the following:

(a) the ESCO's failure to comply with the Program Documents;

(b) equipment installed or actions taken by the ESCO; or

(c) the ESCO's acts, omissions or representations in connection with its solicitation of customers for service under the LI Choice Program or its failure to perform any commitment to a LI Choice Customer under any contract between the ESCO and a LI Choice Customer.

V. Other Provisions.

A. Assignment.

1. The ESCO may not assign or transfer its rights or obligations under this Agreement without the prior written consent of the Authority except as provided in 2. below.

2. The ESCO may assign or transfer its rights and obligations under this

Agreement to another ESCO that has been authorized by Department of Public Service as a retail Supplier in the New York State(and whose eligibility status is not suspended or revoked and is not in the process of being suspended or revoked) upon prior written notice to LIPA of the assignment that includes the assignee's written acceptance of all of the rights and obligations of this Agreement. Further, the ESCO shall be released from the obligations of this Agreement upon receipt from the assignee of the financial security required by LIPA pursuant to the Program Documents.

3. Any assignment or transfer of the rights and obligations of this Agreement by the ESCO, except as is specifically permitted herein, shall be null and void.

4. For the purposes of this Section V.A., an assignment or transfer includes (a) any restructuring of the assets of the ESCO, (b) any acquisition, consolidation, merger or other form of combination of the ESCO by, into, or with any person or entity, or (c) any change in the ownership interest of the ESCO of 25 percent or more.

B. Notices. Any written notice to be provided by any Party to the other or to the Authority will be deemed given and delivered if it is addressed to the other Party or the Authority at the addresses set forth below (or at such other address as a Party or the Authority shall designate in writing to the others) and is (1) delivered by hand, (2) deposited for next business day delivery (fee prepaid) with a reputable overnight delivery service, (3) mailed by certified mail (return receipt requested), postage prepaid, addressed to the recipient at the address set forth below, or (4) provided by facsimile with proof of transmission. The addresses are as follows:

To PSEG Long Island: PSEG Long Island
Customer Services Department 15 Park Drive
Melville, NY 11747

Attention: Vice President of Customer Services

To ESCO: ______________________________

____

____

Fax: ______________________________

Attention: ______________________

To the Authority: Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, N.Y. 11553
Fax: (516) 396-5735

Attention:Senior Manager of Rates

C. No Partnership. No provision of this Agreement shall be construed as creating a partnership, joint venture, association or agency relationship or any other formal business association among the Parties.

D. Integration. This Agreement contains the entire understanding of the Parties and supersedes all prior written and oral agreements among them.

E. Modification and Waiver.

No modification, waiver or amendment of this Agreement shall be effective except pursuant to a writing signed by all Parties. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

F. Applicable Law and Forum.

1. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York except its conflict of laws provisions to the extent that they would require the application of the laws of any other jurisdiction. The ESCO irrevocably consents to the jurisdiction and venue of either a New York State court or a federal court located in the State of New York for purposes of any legal action or proceeding arising under or relating to this Agreement that is not otherwise subject to the dispute resolution procedures of the LI Choice Tariff.

G. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

H. Taxes. Each Party will be liable individually and not collectively to the appropriate state or federal tax authorities for sales, use, gross receipts or other applicable taxes imposed upon the revenues derived or services rendered by that Party.

Disclosure of Agency Relationship. LIPA has appointed PSEG LI and Agent to act as agent for LIPA. Accordingly, Agent (as defined above) will administer this Agreement and shall be LIPA's representative in all matters related to this Agreement, including all Attachments and Exhibits as applicable. LIPA, as the principal, shall have ultimate, final and full liability for the obligations imposed hereunder on LIPA and Agent, including, if applicable, responsibility for all sums due and owing.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the date first mentioned above.

Long Island Electric Utility Servco LLC As agent for and acting on behalf of Long Island Lighting Company d/b/a LIPA

By:________________________________

Title ________________________________

Printed Name: _______________________

[ESCO]

By:________________________________

Title ________________________________

Printed Name: _______________________

23 Attachment D – DRC Operating Agreement

LONG ISLAND CHOICE PROGRAM

DIRECT RETAIL CUSTOMERS OPERATING AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____day of ________ ,between Long Island Electric Utility Servco LLC ("Agent") as agent for and acting on behalf of the Long Island Lighting Company d/b/a LIPA ("LIPA"), a wholly owned subsidiary of the Long Island Power Authority, a corporate municipal instrumentality and political subdivision of the State of New York ("Authority"), and__________________________, a [corporation] [other form of business organization] licensed by the Authority as a Direct Retail Customer ("DRC"). LIPA and the DRC may be referred to individually as a "Party" and collectively as the "Parties". Agent is executing this Agreement on behalf of LIPA in its capacity as agent for LIPA, and Agent is not a principal party to this Agreement.

WHEREAS, the Authority has established a retail choice program for the delivery of energy services to retail customers of LIPA (the "Long Island Choice Program" or LI Choice"), and

WHEREAS, pursuant to the Amended and Restated Operation Services Agreement dated December 31, 2013, as it may be restated, amended, modified, or supplemented from time to time ("A&R OSA"), between LIPA and PSEG Long Island LLC ("PSEGLI"), PSEG LI through its operating subsidiary, Agent, has assumed managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA ('"T&D System") as of January 1, 2014. Accordingly, Agent will administer this Agreement and shall be LIPA's representative in all matters related to this Agreement, including all attachments and exhibits as applicable; and

WHEREAS, DRC desires to procure electric generation service solely for its own use and to procure and schedule transmission and ancillary services to the electric generation service to deliver to the LIPA system, and

WHEREAS, the Authority has authorized DRC to be eligible to participate in LI Choice,

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, LIPA and DRC agree as follows:

I. Terms and Conditions of Operation. LIPA and DRC's operating arrangements will be governed by the applicable terms and conditions of the documents ("Program Documents") identified below. Each of these documents may be amended, modified, supplemented or superseded from time to time by action, as applicable, of the Authority, or other state or federal regulatory bodies. Only the provisions of the Program Documents which are in force at any time, as those documents change from time to time, are deemed to be incorporated herein and made a part thereof.

A. The following sections of LIPA's Tariff for Electric Service: Sections I- VIII (the

"Bundled Service Tariff') and Section IX (the "LI Choice Tariff').

B. The UBP-LI-ESCO.

C. The Authority's LI Choice Program Operating Procedures.

D. The tariffs, rules and procedures of the New York Independent System Operator ("NYISO") and the New York State Reliability Council related to the requirements for the generation and transmission of electric capacity and energy, capacity reserve requirements and the provision of ancillary services.

E. Decisions by the Authority or its Chief Executive Officer involving the LI Choice Program.

II. Term. This Agreement shall be effective from the date set forth above through the occurrence of the earliest of the events set forth below:

A. The termination of this Agreement by the DRC upon 10 calendar days' advance written notice to LIPA and the Authority and by the DRC's adherence to the provisions of the Operating Procedures and the LI Choice Tariff for transferring responsibility for service of the DRC's MW load; or

B. The termination of the Long Island Choice Program; or

C. The revocation of DRC's license by the Authority.

Provided, however, that the applicable provisions of this Agreement shall continue in effect after termination or cancellation of such Agreement to the extent necessary to provide for final billing, billing adjustments, payments, disposition of any outstanding claims, and related matters.

III. DRC's Representations and Warranties. The DRC makes the following representations and warranties to LIPA:

A. The DRC is in compliance with all of the requirements of the Long Island Choice Program set forth in the Program Documents and will adhere to same through the term of this Agreement.

B. The DRC shall notify LIPA and the Authority in writing within 5 business days of any material changes in the information provided in the license application submitted to, and used by, the Authority as the basis for approving the DRC license under LI Choice.

C. The DRC will (1) only enroll its own accounts and (2) not either directly or indirectly, engage or participate in any activities prohibited in the Operating Procedures and (3) UBP-LI-ESCO.

IV. Limitation of Liability and Indemnification.

A. Definitions. For purposes of Section IV of this Agreement, (I) the term "damages" shall mean all losses, direct and consequential damages (including economic loss), judgments, costs, expenses, claims and legal expenses (including reasonable attorneys and consulting fees), and (2) references to each of LIPA, Agent and the Authority shall be interpreted to include each of their respective successors, assigns, trustees, directors, officers, employees and agents.

B. Limitations of Liability

1. The limitations of liability in the Bundled Service Tariff under Section LC.7 are hereby incorporated and shall apply as if fully set forth herein.

2. LIPA, Agent nor the Authority shall be liable to the DRC for any damages arising from the claims of the DRC relating to LIPA's or the Authority's performance of its obligations under LI Choice pursuant to the Program Documents or this Agreement, or any legal or regulatory requirement arising in connection with LI Choice.

C. Indemnification. The DRC shall indemnify, defend and hold harmless LIPA, Agent and the Authority for any damages imposed upon LIPA, Agent or the Authority, individually or collectively, relating to the occurrence of any of the events described under Section IV. B. above.

V. Other Provisions.

A. Assignment.

1. The DRC may not assign or transfer its rights or obligations under this Agreement without the prior written consent of the Authority.

2. Any assignment or transfer of the rights or obligations of this Agreement by the DRC shall be null and void.

(a) For the purposes of this Section V.A., an assignment or transfer includes (a) any restructuring of the assets of the DRC, (b) any acquisition, consolidation, merger or other form of combination of the DRC by, into, or with any person or entity, or (c) any change in the ownership interest of the DRC of 25 percent or more.

B. Notices. Any written notice to be provided by any Party to the other or to the Authority will be deemed given and delivered if it is addressed to the other Party or the Authority at the addresses set forth below (or at such other address as a Party or the Authority shall designate in writing to the others) and is (1) delivered by hand, (2) deposited for next business day delivery (fee prepaid) with a reputable overnight delivery service, (3) mailed by certified mail (return receipt requested), postage prepaid, addressed to the recipient at the address set forth below, or (4) provided by facsimile with proof of transmission. The addresses are as follows:

To PSEG Long Island: PSEG Long Island
Customer Services Department 15
Park Drive
Melville, NY 11747

Attention: Vice President of Customer Services

To DRC:

____
____

Fax: ______________________________

Attention: ____________________________________

To The Authority: Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403 Uniondale,
New York 11553
Fax:(516) 396-5735

Attention: Senior Manager of Rates

C. No Partnership. No provision of this Agreement shall be construed as creating a partnership, joint venture, association or agency relationship or any other formal business association among the Parties.

D. Integration. This Agreement contains the entire understanding of the Parties and supersedes all prior written and oral agreements among them.

E. Modification and Waiver. No modification, waiver or amendment of this Agreement shall be effective except pursuant to a writing signed by all Parties. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

F. Applicable Law and Form.

1. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York except its conflict of laws provisions to the extent that they would require the application of the laws of any other jurisdiction.

2. The DRC irrevocably consents to the jurisdiction and venue of either a New York State court or a federal court located in the State of New York for purposes of any legal action or proceeding arising under or relating to this Agreement that is not otherwise subject to the dispute resolution procedures of the LI Choice Tariff.

G. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

H. Taxes. Each Party will be liable individually and not collectively to the appropriate state or federal tax authorities for sales, use, gross receipts or other applicable taxes imposed upon the revenue derived or services rendered by that Party.

I. **Disclosure of Agency Relationship.** LIPA has appointed PSEG LI and Agent to act as agent for LIPA. Accordingly, Agent (as defined above) will administer this Agreement and shall be LIPA's representative in all matters related to this Agreement, including all Attachments and Exhibits as applicable. LIPA, as the principal, shall have ultimate, final and full liability for the obligations imposed hereunder on LIPA and Agent, including, if applicable, responsibility for all sums due and owing.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the date first mentioned above.

Long Island Electric Utility Servco LLC As agent for and acting on behalf of Long Island Lighting Company d/b/a LIPA
By:______________________________

Title ____________________________

Printed Name: ______________________

____

By:______________________________

Title ____________________________

Printed Name: ______________________

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UNIFORM BUSINESS PRACTICES

FOR ELECTRIC ENERGY SERVICE COMPANIES

IN THE LIPA SERVICE TERRITORY

(“UBP-LI-ESCO”)

Table of Contents

SECTION 1: DEFINITIONS

As used in the Uniform Business Practices for Electric Energy Service Companies in the LIPA Service Territory (UBP-LI-ESCO)[1], the following terms shall have the following meanings:

Authority- The Long Island Power Authority. Depending on usage, as used herein, this term may include or refer to the Authority's subsidiary, Long Island Lighting Company d/b/a LIPA, which owns the electric transmission and distribution system in Nassau and Suffolk Counties and the Rockaways section of Queens in New York City, and/or the Manager[2] which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Operations Services Agreement.

Assignment – Transfer by one ESCO to another ESCO of its rights and responsibilities relating to provision of electric supply under a sales agreement.

Billing cycle – The period for which a customer is billed for usage of electricity.

Billing services agreement (BSA) – An agreement between the Authority and the ESCO stating the billing practices and procedures and the rights and responsibilities of billing and non-billing parties relating to issuance of consolidated bills to customers.

Budget billing – A billing plan that provides for level or uniform amounts due each billing period over a set number of periods, typically 12 months, and determined by dividing projected annual charges by the number of periods. Installment amounts may be adjusted during the period and may include reconciliations at the end of the budget period to account for differences between actual charges and installment amounts.

Business day – Monday through Friday, except for public holidays.

Consolidated billing – A billing option that provides customers with a single bill combining charges for both delivery and ESCO supply service and issued by the Authority (utility consolidated bill). This option is not available to ReCharge NY Customers at this time.

Customer inquiry – A question or request for information from a customer relating to a rate, term, or condition of service provided by an ESCO, the Authority or other service provider.

Cramming – The addition of unauthorized charges to a customer's bill.

[1] In the event of any inconsistency between the Authority's Electric Service Tariff and this document, the Tariff will govern.

[2] Manager - PSEG Long Island LLC, the entity engaged by the Authority to operate, maintain, manage and act as agent for the Authority's system, including PSEG Long Island LLC's subsidiary Long Island Electric Utility ServCo LLC, 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.

Deferred payment agreement (DPA) – A fair and equitable payment plan agreed upon by a customer and utility and/or a customer and an ESCO that allows a customer to pay a customer and utility and/or a customer and an ESCO that allows a customer to pay an overdue amount in installments. A DPA is based upon the customer's financial circumstances and ability to pay the overdue amount while making payment on current charges.

Demand – The amount of electricity that is or could be immediately needed by a customer at any given point in time, and sometimes referred to as customer load. For consolidated billing, the term is used in the context of "billing period demand" for customer bills. Demand can also refer to: (1) the amount of electricity, measured in kilowatts (kW), that a customer uses at a point in time, (2) the customer's usage averaged over a period of one hour or less, or (3) the capacity of facilities reserved for the customer for stand-by or other service.

Direct Retail Customer – An entity that purchases and schedules delivery of electricity for its own consumption and not for resale. A customer with an aggregated minimum peak connected load of one (1) MW to a designated zonal service point qualifies for direct purchase and scheduling of electricity provided the customer complies with NYISO requirements.

Authority customer account number – A number used by the Authority to identify the account of a utility customer.

LIPA Electric Service Tariff – A schedule of rates, terms and conditions of services provided by the Authority.

Door-to-door sales – The sale of energy services in which the ESCO or the ESCO's representative personally solicits the sale, and the buyer's agreement or offer to purchase is made at a place other than the places of business of the seller; provided that "door-to- door sales" shall not include any sale which is conducted and consummated entirely by mail, telephone or other electronic means, or during a scheduled appointment at the premises of a buyer of nonresidential utility service, or through solicitations of commercial accounts at trade or business shows, conventions or expositions.

Drop – A transaction that closes a customer's account with a provider. This term is used when: (1) a customer's enrollment is pending and the customer rescinds the enrollment; (2) a customer enrolled with an ESCO returns to Authority service or enrolls with another ESCO; or (3) the ESCO discontinues service to a customer.

Dual billing – A billing option that provides for separate calculation of charges and presentation of bills to the customer by the Authority and ESCO.

Electronic data interchange (EDI) – The computer-to-computer exchange of routine information in a standard format using established data processing protocols. EDI transactions are used in retail access programs to switch customers from one supplier to another or to exchange customers' account history or billing data between the Authority and an ESCO. Transaction set standards, processing protocols and test plans are authorized in orders issued by the Public Service Commission in Case 98-M- 0667, In the Matter of

Electronic Data Interchange and available on the Department of Public Service website at: www.dps.ny.gov/98m0667.htm. EDI is not available for ReCharge NY Customers at this time. A non-EDI process will be utilized for ReCharge NY Customers.

Energy broker – A non-utility entity that performs energy management or procurement functions on behalf of customers or ESCOs but does not make retail energy sales to customers.

Energy services company (ESCO) – An entity eligible to sell electricity to end-use customers using the transmission or distribution system of a utility. ESCOs may perform other retail service functions.

ESCO marketing representative – An entity that is either the ESCO or a contractor/vendor conducting, on behalf of the ESCO, any marketing activity that is designed to enroll customers with the ESCO.

Enroll/Enrollment – The process used to switch a customer from the Authority-provided supply service to an ESCO or from one ESCO to another.

Enrollment date – The effective date for commencement of electric supply service from an ESCO or the Authority.

Guarantor – An entity that agrees to pay another's debt or perform another's duty, liability, or obligation.

Independent Third-Party Verification – the confirmation of a customer's agreement to take service from an ESCO or authorization for the ESCO to request information by a Verification Agent.

Interval data – Actual energy usage for a specific time interval or a specific period recorded by a meter or other measurement device.

Load profile – Actual or estimated customer energy usage by hourly or sub-hourly interval over a period of a week, month, or year representing usage for a customer or average usage for a customer class.

Lockbox – A billing payment receipt method agreed upon by the Authority and an ESCO, involving use of a third-party financial institution to receive and disburse customer payments.

Marketing - The publication, dissemination, or distribution of informational and advertising materials regarding the ESCO's services and products to the public by print, broadcast, electronic media, direct mail, or by telecommunication.

Meter – A device for determination of the units of electric service supplied to consumers.

Multi-retailer model – A model for retail access that involves provision of electric supply and of delivery service, provided separately to end use customers by two or more entities.

New York State Independent System Operator (NYISO) - An independent management organization, authorized by the Federal Energy Regulatory Commission, operating the bulk electric transmission system.

New delivery customer – A customer initiating delivery service by the Authority.

Office of Consumer Services – The Office, within the Department of Public Service, which receives and makes determinations concerning customer complaints in accordance with the LIPA Electric Service Tariff. Office of Consumer Services (OCS) identifies the exiting Office or its successor in the event the Office name is changed.

Pending enrollment – A stage in processing an enrollment that commences with validation of an enrollment transaction request and ends on the enrollment date that the new supplier is expected to deliver energy.

Pending ESCO – An ESCO is a pending ESCO from the date of receipt of an EDI notice containing the effective date for a customer's enrollment until the ESCO commences supply service for that customer. ReCharge NY Customers will be notified using a non-EDI process.

Plain Language – Written in clear and coherent manner using words with common and everyday meaning and avoiding legal or energy industry terms, acronyms, and abbreviations that a person of ordinary intelligence would not be expected to understand. If use of a technical term is necessary, the term is clearly defined in the portion of the text where it is used.

Purchased accounts receivable – A debt owed to an ESCO by a customer for receipt of supplies of electricity and transferred to the Authority by the ESCO in exchange for consideration.

> Without recourse – Purchase of accounts receivable without recourse by the Authority means that the ESCO is not liable to the Authority if the ESCO's customers fail to make payments. The Authority when purchasing accounts receivable without recourse sends payments to an ESCO at predetermined intervals for amounts billed that are not in dispute and has no right to seek reimbursement from an ESCO of any unpaid amounts.

Rate ready – A consolidated billing practice that requires each ESCO to furnish to the Authority, in advance of the billing cycle, the rates, rate codes or prices (fixed and/or variable), tax rates, billing information, and bill messages. The Authority, after receipt of meter usage data, uses the information on record to calculate the ESCO's charges.~~[3]~~

ReCharge NY Customer(s) – Customers participating in the Authority's ReCharge NY Power Program as described in LIPA's Tariff.

Residential customer – An individual or occupant of a residential premise as defined in 16

~~[3] *This billing option is not currently available in the LIPA service territory, it is anticipated to be available in the future.*~~

NYCRR Part 11.2(a)(2).

Sales agreement – An agreement between a customer and an ESCO that contains the terms and conditions governing the supply of electricity provided by an ESCO. The agreement may be a written contract signed by the customer or a statement supporting a customer's verifiable verbal or electronic authorization to enter into an agreement with the ESCO for the services specified.

Slamming – Enrollment of a customer by an ESCO without authorization.

Small non-residential electric customer – a non-residential electric customer who does not have any demand metered accounts.

Special meter reading – An actual meter reading performed, upon request, on a date that is different than the regularly scheduled meter reading date.

Special needs customer – A customer who has a certified medical emergency condition, who is elderly, blind or physically challenged, or who may suffer serious impairment to health or safety as a result of service termination during cold weather periods and, thus, is eligible for special procedures before termination of service under the Home Energy Fair Practices Act (HEFPA) (Public Service Law §32(3)).

Switch – Transfer of a customer from one ESCO to another, from the Authority to an ESCO, or from an ESCO to the Authority.

Switching cycle – For electric service, the period between the date of the last meter read and the next regularly scheduled meter read.

Termination Fee – An amount specified in an ESCO sales agreement where such agreement permits the ESCO to assess and collect a charge in such amount to a customer who terminates the agreement before the end of a term described in that agreement, regardless of whether the assessed amount is identified as a fee, a charge, liquidated damages or a methodology for the calculation of damages, and regardless of whether it is fixed, scaled or subject to calculation based on market factors. In the event the customer is deceased before the end of such contract term, no fee for termination or early cancellation shall be assessed.

Verification Agent - An entity that is an independent vendor/contractor conducting, on behalf of the ESCO, verification of an agreement, resulting from telephonic or door-to- door marketing with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, as required by Section 5, Attachment 1 of the UBP-LI-ESCO. In the limited circumstance where the verification is only of customer authorization for release of information, the entity does not need to be independent of the ESCO.

SECTION 2: ELIGIBILITY REQUIREMENTS

A. Applicability
ESCOs seeking to operate in the LIPA service territory are required to receive and maintain a Department of Public Service (the Department) finding of eligibility to sell electricity as an ESCO. The following details the Department's requirements for an ESCO to receive and maintain eligibility.

B. Application Requirements

1. Applicants seeking eligibility to sell electricity as ESCOs are required to submit to the Department an application package containing the following information and attachments:

   a. A completed Retail Access Eligibility Application Form (Application), available on the Department website (www.dps.ny.gov). The Application shall require the applicant to:

      i. identify the methods by which it intends to market its products and services to customers;
      ii. identify the category/categories of commodity products it intends to provide to customers (e.g. variable-rate, fixed-rate, or renewably sourced commodity);
      iii. disclose each state in which the applicant operates as an ESCO or has operated within the 24 months preceding the date of application and provide any data in its possession regarding complaint history;
      iv. disclose any other trade names used by the applicant and the state in which the trade name was/is used;
      v. disclose and describe any data breaches associated with customer proprietary information that occurred in any jurisdiction within the 24 months preceding the date of application, as well as any actions taken by the applicant in response to the incident(s);
      vi. disclose and describe specific policies and procedures established by the applicant to secure customer data; and
      vii. disclose any history of bankruptcy, dissolution, merger, or acquisition activities in the 24 months preceding the date of application, including data for affiliates of the ESCO applicant and upstream owners and subsidiaries.

   b. A sample standard Sales Agreement for each customer class that meets the requirements set forth in Section 5.B.3, infra.

   c. Sample forms of the notices sent upon assignment of sales agreements, discontinuance of service, or transfer of customers to other providers.

   d. A sample ESCO bill used when dual billing is in effect with terms stated in clear, plain language. A copy of the ESCO sample bill shall also be provided to the Authority.

   e. Procedures used to obtain customer authorization for ESCO access to a customers' historic usage or credit information;

f. Sample copies of informational and promotional materials that the ESCO uses for mass marketing purposes;
g. Proof of registration with the New York State Department of State;
h. Internal procedures for prevention of slamming and cramming;
i. Name, postal and e-mail addresses, and telephone and fax numbers for the applicant's main office;
j. Names and addresses of any entities that hold ownership interests of 10% or more in the ESCO, including a contact name for corporate entities and partnerships;
k. Detailed explanation of any criminal or regulatory sanctions imposed during the previous 36 months against any senior officers of the ESCO or any entities holding ownership interests of 10% or more in the ESCO;
l. An Officer Certification document sworn to by a high-level officer of the ESCO applicant, such as the Chief Executive Officer, President or the equivalent, in which the officer affirms that the ESCO is willing and able to comply with all applicable laws and regulations;
m. A copy of the ESCO's quality assurance program, which is designed to monitor (a) compliance with Section 10 of the UBP-LI-ESCO and (b) accuracy of the ESCO marketing materials provided to prospective customers;
n. A completed Service Provider Contact Form, which can be found on the Department's website http://www.dps.ny.gov/ocs.html, identifying the ESCO's employee(s) responsible for resolving consumer complaints received by the Department and referred to the ESCO; and
o. A list of the entities, including contractors and sub-contractors, that will market to customers on behalf of the ESCO. The list must include the entities' names, addresses, phone numbers and owners, managers, and/or principals. This list must be updated regularly as entities are added or removed.

2. Applicants shall submit to the Department the name of the utility that will test designated EDI transactions required for syntactical verification in the Phase I testing program. The Department shall maintain a list of ESCOs that successfully complete Phase I test requirements by transaction type.
3. An ESCO that knowingly makes false statements in its application package is subject to denial or revocation of eligibility.
4. If the application package contains information that is a trade secret or sensitive for security reasons, the applicant may request that the Department withhold disclosure of the information, pursuant to the Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).

C. Department Review Process

1. The Department shall review the Application information and documentation submitted by each applicant and make an initial determination as to the applicant's likelihood of compliance with the Uniform Business Practices if the ESCO were deemed eligible to operate in the State. To enable the Department to make a thorough and assessment of an application, an ESCO shall notify the Department of any major

changes in the information submitted in the Retail Access Eligibility Application Form and/or application package that occurs during the Department review process.

2. Following its review of the Application information and documentation, the Department shall advise the applicant, in writing, if the Application is approved and the applicant is eligible to operate in the State and if satisfaction of Phase I EDI testing requirement has been verified by the utility designated by the applicant.
3. ESCOs deemed eligible to provide supply service by the Department must begin serving customers within two-years from the date of the letter notifying the ESCO of their eligibility status (eligibility letter). The ESCO that does not begin serving customers within such two-year period may be required to conduct additional EDI testing before enrollments will be processed.
4. If following its review of the Application information and documentation the Department determines that the applicant is not likely to comply with the UBP-LI-ESCO if the ESCO were deemed eligible, the Department may recommend to the Commission that, for good cause shown, the Commission deny the ESCO's Application.
5. In any instance that the Department recommends to the Commission that an ESCO applicant be denied eligibility, the applicant shall be afforded an opportunity to provide to the Commission with a response in rebuttal to the Department's recommendation and in support of its application before the Commission renders a final eligibility determination.
6. The Department shall periodically review the eligibility of each ESCO operating in New York and make a recommendation to the Commission if the Department finds that the ESCO should not be permitted to continue operating in New York.

D. Maintaining ESCO Eligibility Status

1. An ESCO shall submit by January 31 each year (January 31 Statement):
   a. a statement that the information and attachments in its Retail Access Eligibility Form and application package are current; or
   b. a description of revisions to the Retail Access Eligibility Form and application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means; and
   c. An Officer Certification document, as required by Section 2.B.l.
2. An ESCO shall update all the information it submitted in its original application package to the Department every three years, starting from the date of its eligibility letter, consistent with the requirements of UBP-LI-ESCO Section 2.B. An ESCO's status as an eligible supplier is continuous from the date of the Department eligibility letter, unless revoked or otherwise limited in accordance with UBP-LI-ESCO Section 2.D.5. If the three-year anniversary date falls within one month of January 31, the ESCO shall resubmit its application package in lieu of the January 31 statement.
3. An ESCO shall file with the Secretary of the Department, a separate average unit price for products with no energy-related value-added services for each of two groups of customers and by load zone: i) residential price fixed for a minimum 12-month period; ii) residential variable price. The averages should be weighted by the amount of supply sold at each price within each customer category. ESCOs shall also file the

number of customers purchasing products in those categories. ESCOs shall file the required information quarterly, reflecting data over that period, within 30 days of the end of each calendar quarter (i.e., data must be provided no later than April 30th, July 30th, October 30th and January 30th of each year).1[8]

4. An ESCO shall submit at other times during the year:
   a. A description of any major change in the Retail Access Eligibility Application Form and/or application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means. For purposes of Subdivision D of this Section, the term, "major change," means a revision in the terms and conditions applicable to the business relationship between the ESCO and its customers, including provisions governing the process for termination of sales agreements.
   b. Changes in marketing plans, including changes to the list required in sub-section B.1.n of this Section of the UBP-LI-ESCO.
   c. Changes in the ESCO's business and customer service information displayed on the Department's Website.
   d. At least once every thirty days, each ESCO serving residential customers must post a price for each product it offers to those customer classes (e.g., fixed- price, variable-price, renewable energy, with each type of value-added service, etc.) on the Department's Power to Choose website. Each ESCO must guarantee to charge new customers no more than the price of the ESCO's posted offers at the time of the customer's agreement for each product.
   e. Changes in personnel responsible for resolving consumer complaints received by the Department and referred to the ESCO.
5. An ESCO maybe subject to the consequences listed in UBP-LI-ESCO Section 2.D.6.b for reasons, including, but not limited to:
   a. false or misleading information in the application package;
   b. failure to adhere to the policies and procedures described in its Sales Agreement;
   c. failure to comply with required customer protections;
   d. failure to comply with applicable NYISO requirements, reporting requirements, or Department oversight requirements;
   e. failure to provide notice to the Department of any material changes in the information contained in the Retail Access Eligibility Form or application package;
   f. failure to comply with the UBP-LI-ESCO terms and conditions, including discontinuance requirements;
   g. failure to comply with EDI transaction set standards and processing protocols and/or use properly functioning EDI systems;
   h. repeated failures to comply with price reporting requirements, reporting misleading price information, or continuing to fail to comply with price reporting

[8] If the Power-to-Choose website is modified to allow ESCOs to file this information there, the Department may notify ESCOs that compliance with this provision may be accomplished in that manner.

requirements after withdrawal of eligibility to enroll new customers;

i. failure to comply with the Commission's Environmental Disclosure Requirements or failure to comply with other Commission Orders, Rules or Regulations;
j. failure to reply to a complaint filed with the Department and referred to the ESCO within the timeframe established by the Department' Office of Consumer Services which is not less than five days;
k. any of the reasons stated in Subdivision F of this Section; or
l. a material pattern of consumer complaints on matters within the ESCO's control;
m. failure to comply with any federal, state, or local laws, rules, or regulations related to sales or marketing; or 'No Solicitation' signage on the premises; or
n. failure to comply with any of the Marketing Standards set forth in Section 10 of the UBP-LI-ESCO.

6. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in UBP-LI-ESCO Section 2.D.5, the Commission or Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non- compliance, as well as the ESCO's history of previous violations.
   a. The Commission or Department shall:
      1. Either (a) notify the ESCO in writing of its failure to comply and request that the ESCO take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the ESCO show cause why a consequence should not be imposed.
      2. The Commission may impose the consequences listed in subparagraph b of this paragraph if (a) ESCO fails to take corrective actions or provide remedies within the cure period; or (b) the Commission determines that the incident or incidents of non-compliance are substantiated and the consequence is appropriate.
      3. Consequences shall not be imposed until after the ESCO is provided notice and an opportunity to respond.
   b. The notice of consequences imposed by the Commission will be published on the Department's website. Consequences for non-compliance in one or more of the categories set forth in UBP-LI-ESCO Section 2.D.5 may include one or more of the following restrictions on an ESCO's opportunity to sell electricity to retail customers:
      1. Suspension from a specific Commission approved retail program in either a specific service territory or all territories in New York;
      2. Suspension of the ability to enroll new customers in either a specific service territory or all service territories in New York;
      3. Imposition of a requirement to record all telephonic marketing presentations, which shall be made available to the Department for review;

4. Reimbursements to customers who did not receive savings promised in the ESCO's sales agreement/Customer Disclosure Statement or substantially demonstrated to have been included in the ESCO's marketing presentation or to customers who incurred costs as a result of the ESCO's failure to comply with the marketing standards set forth in Section 10 of the UBP-LI-ESCO ;
5. Release of customers from sales agreements without imposition of early termination fees;
6. Revocation of an ESCO's eligibility to operate in New York; and,
7. Any other measures that the Commission may deem appropriate.

c. Consequences imposed pursuant to this paragraph shall continue to apply until the ESCO's failure to comply with the UBP-LI-ESCO has been cured or the Commission or Department has determined that no further cure is necessary.

7. An ESCO's eligibility to serve customers is valid unless: the ESCO abandons its eligibility status; or such status is revoked by the Commission through a final order pursuant to UBP-LI-ESCO Section 2.D.6.
8. The Department shall notify the Authority upon notice to the ESCO, and the NYISO if applicable, of any determination to revoke an ESCO's eligibility to sell electricity. The Authority shall notify the ESCO's customers, in accordance with paragraph 3 of Subdivision F of this Section, of any Department revocation of an ESCO's eligibility.

E. Authority Requirements

1. After receipt of the Department's compliance letter, the ESCO shall notify the Authority, and NYISO if applicable, of its eligibility status and intent to complete the process to commence operation in the Authority's service area, including execution of any operating agreement that is required.
2. Upon satisfaction of the Authority's and, if applicable the NYISO's requirements, and successful completion of EDI testing conducted by the Authority, the ESCO shall enter into an operating agreement with the Authority to commence operations in its service territory. The Authority's requirements are set forth in the Tariff for Electric Service, Operating Procedures Manuals and associated Operating Agreement.

F. Discontinuance of an ESCO's and Direct Retail Customer's Participation in a Retail Access Program

1. In accordance with the procedures established in this Subdivision, the Authority may discontinue an ESCO's or Direct Retail Customer's participation in its retail access program for the following reasons:
   a. Failure to act that is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the Authority 's system, and the ESCO or Direct Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice;
   b. Failure to pay an invoice upon the due date;
   c. Failure to maintain a creditworthiness standard or provide required security;
   d. Failure to comply with the terms and conditions of the Authority's tariff, operating agreement, or the Authority's Long Island Choice Program

Operating Procedures Manual to the extent that said documents are consistent with the provisions of the UBP-LI-ESCO ;

e. Discontinuance of an ESCO's or Direct Retail Customer's participation in the Authority's retail access program by the NYISO.

2. To initiate the discontinuance process, the Authority shall send a non-EDI discontinuance notice by overnight mail and verified receipt, to the ESCO or Direct Customer and the Department. The notice shall contain the following information:
   a. The reason, cure period, if any, and effective date for the discontinuance;
   b. A statement that the Authority shall notify the ESCO's customers of the discontinuance if the ESCO fails to correct the deficiency described in the notice within the cure period, unless the Department directs the Authority to stop the discontinuance process;
   c. The Authority may suspend the ESCO's right to enroll customers until correction of the deficiency; and
   d. Correction of the deficiency within the cure period, or a Department directive, will end the discontinuance process.
3. The Authority shall send notices to the ESCO's customers informing them of the discontinuance and providing the following information:
   a. The discontinuance shall or did occur on one of the following dates selected by the Authority: the scheduled meter read date, the first day of the month, or another date, if readings are estimated, or on the date of a special meter read;
   b. Customers have the option to select another ESCO or return to full utility service.
   c. Names and telephone numbers of ESCOs offering service to retail customers in the Authority's service territory;
   d. Any ESCO selected by a customer may file an enrollment request on the customer's behalf with the Authority, and the Authority shall charge no fee for changing the customer's provider to the new ESCO; and,
   e. During any interim between discontinuance of a customer's current ESCO and enrollment with a new ESCO, the Authority shall provide service under its applicable tariff, unless the Authority notified the customer that it is terminating its delivery services to the customer on or before the discontinuance date.
4. The Authority shall submit a sample copy of its discontinuance notice to the Department for review and approval prior to distribution to customers.
5. The Authority may request permission from the Department to expedite the discontinuance process, upon a showing that it is necessary for safe and adequate service or in the public interest. Any expeditious discontinuance process shall include the ESCO or Direct Retail Customer, and the Authority.
6. Upon any discontinuance, an ESCO or Direct Retail Customer shall remain responsible for payment or reimbursement of any and all sums owed under the Authority's Electric Service Tariff, any tariffs on file with the FERC and service agreements relating thereto, or any agreements between the ESCO and the Authority.
7. The notice requirements and time limits for the Authority to discontinue an ESCO's or

Direct Retail Customer's participation in the Authority's retail access program (discontinue participation) are:

a. Upon the Authority determination that an ESCO's or Direct Retail Customer's action, or failure to act, is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the Authority's system and that the ESCO or Direct Retail Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice, the Authority may discontinue participation as soon as practicable.

b. Upon the Authority's determination that an ESCO or Direct Retail Customer failed to pay an invoice on the due date, as specified in the Authority's Electric Service Tariff, and the ESCO's or Direct Retail Customer's required security or credit limit is insufficient to cover the unpaid amount, with interest, the Authority may discontinue participation no sooner than ten business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer pays the amount due on or before the expiration of the cure period, the Authority shall stop the process to discontinue participation.

c. Upon the Authority's determination that an ESCO or Direct Retail Customer failed to provide or maintain a creditworthiness standard or required security, the Authority may initiate a discontinuance process no sooner than five business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer satisfies the creditworthiness standard or provides the required security on or before the expiration of the cure period, the Authority shall stop the discontinuance process. Upon a determination to continue with the discontinuance process because the ESCO or Direct Retail Customer failed to comply with the creditworthiness standard or provide adequate security, the Authority shall notify the ESCO or Direct Retail Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The Authority shall notify the ESCO's customers that it will discontinue participation on or before 15 days from the expiration of the cure period. If a failure to comply with the creditworthiness standard or provide adequate security occurred twice during the past 12 months and the Authority sent a related discontinuance notice for each failure, it may discontinue participation no sooner than two business days after receipt by an ESCO or Direct Retail Customer of a discontinuance notice.

d. Upon the Authority's determination that an ESCO or Direct Retail Customer failed, except in force majeure conditions, to comply with any other applicable provision of the Authority's Electric Service Tariff, or operating agreement, the Authority may initiate a discontinuance process no sooner than ten business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer provides adequate assurances and a description of any necessary process changes that ensure compliance on or before the expiration of the cure period, the Authority shall stop the discontinuance process. Upon a determination to continue the discontinuance process because the assurances and proposed process changes are inadequate, the Authority shall notify the ESCO or Direct Retail Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The Authority shall notify the ESCO's customers that it will discontinue participation on or before the expiration of 15 business days after the end of the cure period.

SECTION 3: CREDITWORTHINESS

A. Applicability

This Section establishes creditworthiness standards that apply to ESCOs and Direct Retail Customers. An ESCO's and Direct Retail Customer's participation in the Authority's retail access program is contingent upon satisfaction of creditworthiness requirements and provision of any security.

B. ESCOs

1. An ESCO shall satisfy the Authority's creditworthiness requirements if:
    a. The ESCO, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two rating agencies. For the purposes of this Section, minimum rating shall mean "BBB" from Standard & Poor's, "Baa2" from Moody's Investor Service, or "BBB" from Fitch Ratings (minimum rating); or,
    b. The ESCO enters into a billing arrangement with the Authority, whereby the Authority bills customers on behalf of the ESCO and retains the funds it collects to offset any balancing and billing service charges provided that the Authority has a priority security interest with a first right of access to the funds. The ESCO shall submit an affidavit from a senior officer attesting to such utility interest and right. Except that an ESCO serving customers outside of such billing arrangement, must satisfy the security requirements of UBP-LI-ESCO Section 3.D with respect to those customers.
2. If an ESCO, or a guarantor, is not rated by Standard & Poor's, Moody's Investor Service or Fitch Ratings, it shall satisfy the Authority's creditworthiness requirements if the ESCO, or a guarantor:
    a. Maintains a minimum "1A2" rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the ESCO maintains 24 months good payment history with the Authority; and,
    b. Provides any security required by the Authority, calculated in accordance with Subdivision D, after deduction of the following unsecured credit allowances:

Rating	Unsecured Credit Allowance
5A1 or 5A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service
4A1 or 4A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service

3A1 or 3A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service
2A1 or 2A2	50% of an ESCO's tangible net worth, up to $500,000
1A1 or 1A2	50% of an ESCO's tangible net worth, up to $375,000

An ESCO shall provide information, upon request of the Authority, to enable the Authority to verify the ESCO's equity. The Authority may request reasonable information to obtain the verification and shall safeguard it as confidential information and protect it from public disclosure. The Authority may deny the unsecured credit allowance to any ESCO that fails to provide the requested information.

3. The Authority may require an ESCO to provide and maintain security in the full amount of the Authority's credit risk, calculated in accordance with Subdivision D, if:
   a. The ESCO, or a guarantor, is not rated;
   b. The ESCO, or a guarantor, with a minimum rating is placed on credit watch with negative implications or is rated below the minimum rating;
   c. The ESCO, or a guarantor, is rated below the Dun & Bradstreet minimum rating or the ESCO fails to maintain 24 months good payment history with the Authority.
4. If the Authority's credit risk, associated with an ESCO's participation in its retail access program, exceeds 5% of the Authority's average monthly revenues for the applicable service, the Authority may require the ESCO, in addition to maintaining a minimum rating, to provide and maintain security in the amount of such excess credit risk.

C. Direct Retail Customers
A Direct Retail Customer shall satisfy the Authority's creditworthiness requirements if:
1. Its account is current and remained current for the past 12 months; and,
2. If its debt is rated, it maintains a minimum rating of its long-term unsecured debt securities from one of the rating agencies and no rating below the minimum rating from one of the other two rating agencies.

D. Calculation of Credit Risk and Security
The Authority shall calculate its credit risk and establish its security requirements as follows:
1. Delivery Service Risk
   a. Upon an ESCO request, the Authority shall establish separate security requirements for summer (April 1 - October 31) and winter (November 1 - March 31) and may retain winter security until the end of two months (April and May) after the end of the winter period.
2. Major Change in Risk
   a. A major change shall mean a change in credit risk of more than the greater of 10%

or $200,000.

b. The ESCO or Direct Retail Customer shall promptly notify the Authority and the Department of any major change in credit and or rating risk.
c. The Authority may require an ESCO or a Direct Retail Customer, within five days, to provide additional amounts of security if a major change occurs to increase its credit risk, as follows:

   1. If Standard & Poors, Moody's Investor Service, or Fitch Ratings downgrades an ESCO's, or its guarantor's, rating or a Direct Retail Customer's debt below the minimum rating or Dun & Bradstreet downgrades an ESCO's, or its guarantor's, rating or a Direct Retail Customer's debt; or,

   2. An increase occurs in customer usage or in energy prices and such increase is sustained for at least 30 days.
d. In the event that a major change occurs to decrease the Authority's credit and/or rating risk, results in compliance by an ESCO or Direct Retail Customer with creditworthiness requirements, and elimination of the basis for holding some or all of the security, the Authority shall return or release the excess amount of the ESCO's or Direct Retail Customer's security with accumulated interest, if applicable. The Authority shall return such amount within five business days after receipt of an ESCO or Direct Retail Customer notice informing the Authority of the occurrence of such major change.

E. Security Instruments
1. The following financial arrangements are acceptable methods of providing security:
   a. Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Public Service Commission for "Customer Capital";
   b. Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
   c. Security interest in collateral; or,
   d. Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
   e. Other means of providing or establishing adequate security.
2. The Authority may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any ESCO.
3. If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to an ESCO or a Direct Retail Customer falls below an "A" rating, the Authority shall allow a minimum of five business days for an ESCO or a Direct Retail Customer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

F. Lockbox

If the Authority and ESCO arrange for a lockbox, security requirements are reduced by 50% provided that the arrangement includes the following:
1. Agreement on allocation of funds and the first right of the Authority, in the event of an

ESCO's financial difficulty, to obtain funds in the lockbox deposited to the credit of the ESCO;

2. Establishment of rules for managing the lockbox;
3. Agreement on conditions for terminating the lockbox for non-compliance with the rules or for failure to receive customer payments on a timely basis; and,
4. Responsibility of an ESCO for any costs associated with implementing and administering the lockbox.

G. Calling on Security

1. If an ESCO or Direct Retail Customer fails to pay the Authority, in accordance with UPB Section 7, Invoices, the Authority may draw from security provided that the Authority notifies the ESCO or Direct Retail Customer five business days' in advance of the withdrawal and the ESCO or Direct Retail Customer fails to make full payment before the expiration of the five business days.
2. If an ESCO receives a discontinuance notice or elects to discontinue service to customers and owes amounts to the Authority, the Authority may draw from the security provided by the ESCO without prior notice.
3. If an ESCO files a petition or an involuntary petition is filed against an ESCO under the laws pertaining to bankruptcy, the Authority may draw from security, to the extent permitted by applicable law.

H. Application by the Authority

1. Within ten business days after receipt of a complete ESCO application, the Authority shall complete its evaluation of initial creditworthiness, state the rationale for its determination, and provide the calculation supporting the credit limit and any resulting security requirement.
2. The Authority shall perform, at least annually, an evaluation, at no charge, of an ESCO's satisfaction of creditworthiness standards and security requirements.
3. The Authority shall perform evaluations of creditworthiness, security requirements, and security calculations in a non-discriminatory and reasonable manner.
4. Pending resolution of any dispute, the ESCO or Direct Retail Customer shall provide requested security within the time required in this Section.
5. The Authority may reduce or eliminate any security requirement provided that it reduces or eliminates the requirement in a nondiscriminatory manner for any ESCO or Direct Retail Customer. The Authority may request reasonable information to evaluate credit risk. If an ESCO or Direct Retail Customer fails to provide the requested information, the Authority may deny the ESCO or Direct Retail Customer an opportunity to provide lower or no security.

SECTION 4: CUSTOMER INFORMATION

A. Applicability

This Section establishes practices for release of customer information by the Authority to ESCOs and Direct Retail Customers and identifies the content of information sets. The Authority and an ESCO shall use EDI standards, to the extent developed, for transmittal of customer information and may transmit data, in addition to the minimum information required, via EDI or by means of an alternative system.

B. Customer Authorization Process

The Authority shall provide information about a specific customer requested by an ESCO authorized by the customer to receive the information.

1. An ESCO shall obtain customer authorization to request information, in accordance with the procedures in UBP-LI-ESCO Section 5, Changes in Service Providers, Attachments 1, 2, and 3. An ESCO shall inform its customers of the types of information to be obtained, to whom it will be given, how it will be used, and how long the authorizations will be valid. The authorization is valid for no longer than six months unless the sales agreement provides for a longer time.
2. The Authority shall assume that an ESCO obtained proper customer authorization if the ESCO is eligible to provide service and submits a valid information request.
3. An ESCO shall retain, for a minimum of two years or for the length of the sales agreement whichever is longer, verifiable proof of authorization for each customer. Verification records shall be provided by an ESCO, upon request of the Department, within five calendar days after a request is made. Locations for storage of the records shall be at the discretion of the ESCOs.
4. Upon request of a customer, the Authority shall block access by ESCOs to information about the customer.
5. An ESCO and its agent shall comply with statutory and regulatory requirements pertaining to applicable state and federal do-not-call registries.

C. Customer Information Provided to ESCOs

1. Release of Information. The Authority shall use the following practices for transferring customer information to an ESCO:
   a. The Authority shall provide the information in the Billing Determinant Information Set upon acceptance of an ESCO's enrollment request and the information in the Customer Contact Information Set and the Credit Information Set, upon ESCO request.
   b. The Authority shall respond within two business days to valid requests for information as established in EDI transaction standards and within five business days to requests for data and information for which an EDI transaction standard is not available. The Authority shall provide the reason for rejection of any valid information request.
2. Customer Contact Information Set. The Authority, to the extent it possesses the information, shall provide, upon an ESCO request, consumption history for an electric account.

a. Consumption history[9] for an electric account shall include:
   1. Customer's service address;
   2. Electric account indicator;
   3. Sales tax district used by the Authority and whether the utility identifies the customer as tax exempt;
   4. Rate service class and subclass or rider by account and by meter, where applicable;
   5. Electric load profile reference category or code, if not based on service class, or Installed Capacity (ICAP) tag, which indicates the customer's coincident peak electricity demand;
   6. Customer's number of meters and meter numbers;
   7. Usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
   8. Whether the customer's supply service is currently provided by the utility;
   9. 12 months, or the life of the account, whichever is less, of customer data via EDI and, upon separate request, an additional 12 months, or the life of the account, whichever is less, of customer data via EDI or an alternative system at the discretion of the Authority, and, where applicable, demand information;[10] if the customer has more than one meter associated with an account, the Authority shall provide the applicable information, if available, for each meter; and
   10. Usage data in summary form (billing determinants aggregated in the rating periods defined under the Authority's tariffs for that customer's service classification) via EDI, and if electronic interval data is requested in detail, via an acceptable alternative electronic format.

3. Billing Determinant Information Set. Upon acceptance of an ESCO enrollment request, the Authority shall provide the following billing information for an electric account, as applicable[11]:
   a. Customer's service address, and billing address, if different;
   b. Electric account indicator;
   c. Meter reading date or cycle and reporting period;
   d. Billing date or cycle and billing period;
   e. Meter number, if available;
   f. Authority rate class and subclass, by meter;
   g. Description of usage measurement type and reporting period;

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[9] The Authority, in addition to EDI transmittal, may provide Web based access to customer history information via the My Account feature (https://myaccount.psegliny.com/user/registration) for those customers with an AMI enabled meter. The meter data can be downloaded in Green Button format by the customer or they can provide access to a third party to register and login to download the data.

[10] The Authority may provide data for a standard 24 months or life of the account, whichever is less, as part of its Customer Contract Information Set.

[11] As specified in the EDI standard for an enrollment request and response, the Authority may transmit additional data elements, based upon the request, the responding Authority

h. Customer's load profile group, for electric accounts only;
i. Customer's location based marginal pricing zone, for electric accounts only; and,
j. Budget billing indicator.[12]

4. Credit Information Set. The Authority shall provide credit information for the most recent 24 months or life of the account, whichever is less, upon receipt of an ESCO's electronic or written affirmation that the customer provided authorization for release of the information to the ESCO. Credit information shall include number of times a late payment charge was assessed and incidents of service disconnection.

D. Direct Retail Customer Information

A Direct Retail Customer shall receive usage data and any subsequent changes, corrections and adjustments to previously supplied data, and estimated consumption for a period, at the same time that the Authority validates them for use. The Authority shall make available, upon request, to an electric Direct Retail Customer, a class load profile for its service class.

E. Charges for Customer Information

The Authority shall impose charges upon ESCOs or Direct Retail Customers for provision of the information described in this Section. The Authority may impose an incremental cost-based fee, authorized in tariffs for an ESCO's request for customer data for a period in excess of 24 months or for detailed interval data per account for any length of time.

F. Unauthorized Information Release

An ESCO, its employees, agents, and designees, are prohibited from selling, disclosing or providing any customer information obtained from the Authority, in accordance with this Section, to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer or is specifically authorized by the customer or required by legal authority. If such authorization is requested from the customer, the ESCO shall, prior to authorization describe to the customer the information it intends to release and the recipient of the information.

[12] This indicator is limited to 12 month levelized payment plans and does not include other payment plans.

SECTION 5: CHANGES IN SERVICE PROVIDERS

A. Applicability

This Section establishes practices for receiving, processing, and fulfilling requests for changing a customer's electricity provider and for obtaining a customer's authorization for the change. A change in a provider includes transfer from: (1) one ESCO to another; and (2) an ESCO to the Authority. This Section also establishes practices for: an ESCO's drop of a customer or a customer's drop of an ESCO, retention of an ESCO after a customer's relocation within the Authority's service area, assignment of a customer, and initiation or discontinuance of procurement of electricity supplies by a Direct Retail Customer. This Section does not establish practices for obtaining other energy-related services or changing billing options.

The process of changing a service provider is comprised of two steps. For enrollment with an ESCO, the first step is obtaining customer agreement, and any required third- party verification, to accept electric service according to the terms and conditions of an offer. A sales agreement establishes the terms and conditions of the customer's business arrangement with the ESCO. The second step is enrollment and the Authority's modification of its records to list the customer's transfer to a provider on a specific date. The second step is primarily between the ESCO and the Authority.

B. Customer Agreement

An ESCO, or its agent, may solicit and enter into a sales agreement with a customer subject to the following requirements.

1. The ESCO shall obtain a customer agreement to initiate service and enroll a customer and customer authorization to release information to the ESCO by means of one of the following methods.
   a. Telephone agreement and authorization, preceded, or followed within three business days, by provision of a sales agreement, in accordance with requirements in Attachment 1 – Telephonic Agreement and Authorization/Third Party Verification Requirements;
   b. Electronic agreement and authorization, attached to an electronic version of the sales agreement, in accordance with requirements in Attachment 2 – Electronic Agreement and Authorization Requirements; or
   c. Written agreement bearing a customer's signature on a sales agreement (original or fax copy of a signed document), in accordance with requirements in Attachment 3 – Written Agreement and Authorization Requirements.
2. For any sale resulting from either door-to-door or telephonic marketing, each enrollment is only valid with an independent third-party verification.
3. The ESCO shall provide residential customers the right to cancel a sales agreement within three business days after its receipt (cancellation period).
4. The standard Sales Agreements for each customer class shall include the following information written in plain language:
   a. Terms and conditions applicable to the business relationship between the ESCO and the customer which includes:

1. provisions governing the process for rescinding or terminating an agreement by the ESCO or the customer including provisions stating that a residential customer may rescind the agreement within three business days after its receipt;
2. the placeholder for the price or how the price is determined, the terms and conditions of the agreement, including the term and end date, if any, of the agreement, the amount of the termination fee and the method of calculating the termination fee, if any, the amount of late payment fees, if applicable, and the provisions, if any, for the renewal of the agreement; and,
3. a clear description of the conditions, if any, that must be present in order for savings to be provided to the customer, if savings are guaranteed.

b. Such contract shall also include on the first page thereof a Customer Disclosure Statement (the Statement). The text within this Statement shall state in plain language the terms and conditions described above and set forth in Attachment 4 – Sample Customer Disclosure Statement. When the form contract is used by the ESCO as its agreement with the customer, the Customer Disclosure Statement shall also contain the price term of the agreement. In the event that the text in the Statement differs from or is in conflict with a term stated elsewhere in the agreement, the term described by the text in the Statement shall constitute the agreement with the customer notwithstanding a conflicting term expressed elsewhere in the agreement.

c. Procedures for resolving disputes between the ESCO and a customer;

d. Consumer protections provided by the ESCO to the customer;

e. Method for applying payments and consequences of non-payment;

f. Any charges and fees, services, options or products offered by the ESCO;

g. Department contact information, including the Department ESCO hotline at 1- 888-697-7728;

h. ESCO contact information, including a local or toll-free number from the customer's service location, and procedures used for after-hours contacts and emergency contacts, including transfer of emergency calls directly to the Authority and/or an answering machine message that includes an emergency number for direct contact with the Authority.

i. A statement that the ESCO shall provide at least 15 calendar days' notice prior to any cancellation of service to a customer; and

j. If a condition of service, a statement that the ESCO reserves the right to assign the contract to another ESCO.

5. Additional terms and conditions applicable to residential customers and customers solicited via door-to-door sales include:

a. Prepayments – no agreement for the provision of energy by an ESCO shall require a prepayment.

b. Termination fees – no agreement for the provision of energy by an ESCO shall require a termination or early cancellation fee in excess of either a) $100 for any contract with a remaining term of less than 12 months; or b) $200 for any contract with a remaining term of more than 12 months or; c) twice the estimated bill for energy services for an average month, provided that an estimate of an average monthly bill was provided to the customer when the offer was made by the ESCO along with the amount of any early termination fee. To calculate such average monthly bill, the ESCO may use an average of the customer's actual usage for the previous twelve months or if such data is unavailable at the time the offer is made apply the usage for a typical customer in that service classification as reported by the Authority or the Commission, and multiply it by the ESCO's estimate of the average annual rate that will be charged under the agreement.

c. Variable charges – all variable charges must be clearly and conspicuously identified in all contracts, sales agreements and marketing materials.

d. Material changes and renewals – no material changes shall be made in the terms or duration of any contract for the provision of energy by an ESCO without the express consent of the customer obtained under the methods authorized in the UBP-LI-ESCO. This shall not restrict an ESCO from renewing a contract by clearly informing the customer in writing, not less than thirty days nor more than sixty days prior to the renewal date, of the renewal terms and the customer's option to reject the renewal terms. A customer shall not be charged a termination fee as set forth in Section 5.B.3.1.a herein, if the customer objects to such renewal within three business days of receipt of the first billing statement under the agreement as renewed. Regarding contract renewals or an initial sales agreement that specifies that the agreement automatically renews, all changes to the terms of the contract, including changes to the supply rate, product or service type, will be considered material and will require that the ESCO obtain the customer's express consent for renewal. Notwithstanding the forgoing, when an agreement renews as part of a month-to-month product which guaranteed savings compared to the Authority price, or renews to a new product which guaranteed savings compared to the Authority price, the customer's express consent for renewal is not required.
e. A renewal notice in the standardized format provided by the Department, must be used.

f. The renewal notice must be enclosed in an envelope which states in bold lettering: "IMPORTANT: YOUR [ESCO NAME] CONTRACT RENEWAL OFFER IS ENCLOSED. THIS MAY AFFECT THE PRICE YOU PAY FOR ENERGY SUPPLY."

g. When a fixed-rate agreement is renewed as a fixed-rate agreement, the ESCO shall provide the customer with an additional notice before the issuance of the first billing statement under the terms of the contract as renewed, but not more than 10 days prior to the date of the issuance of that bill. This notice shall inform the customer of the new rate and of his or her opportunity to object to the renewal, without the imposition of any early termination fees, within three days of receiving the first billing statement under the terms of the contract as renewed.

C. Provision of List of ESCOs to Customers
The Authority shall offer to provide a customer who requests initiation of delivery service with an up-to-date list of ESCOs and provide the list at any time, upon request of any customer.

D. Customer Enrollment Procedures

1. An ESCO shall transmit:
    a. An electric enrollment request to the Authority no later than 5 business days prior to the effective date of the enrollment, which is the first of each month~~.~~
    b. The enrollment request shall contain at a minimum, the information required for processing set forth in Attachment 5, Enrollment Request.
    ~~b.~~c. For ReCharge NY Customers, a non-EDI enrollment process will be utilized.
2. The Authority shall process enrollment requests in the order received. In the case of ReCharge NY Customers, the billing cycle date will be changed to the first of each month.
3. The Authority shall accept only one valid enrollment request[1] per customer during a switching cycle. If the Authority receives multiple enrollment requests for the same customer during a switching cycle, it shall accept the first valid enrollment request and reject subsequent requests.
4. An ESCO shall submit an enrollment request after it obtains customer authorization, and third-party verification where required, and it has provided the sales agreement to the customer. For telephonic enrollments, in which the ESCO sends the customer the sales agreement via US Mail, the ESCO shall provide for two business days for the customer to receive the sales agreement.
5. After receipt of an enrollment request, the Authority shall, within one business day, acknowledge its receipt, and provide a response indicating rejection and the reason, or acceptance and the effective date for the change of provider. For non-EDI enrollments, the Authority shall acknowledge the enrollment request within five (5) business days.
6. Upon acceptance of an enrollment request, the Authority shall contemporaneously send a notice to the incumbent ESCO that the customer's service with that ESCO will be terminated on the effective date of the new enrollment. In the event that the Authority receives notice from the pending ESCO, the incumbent ESCO (with specific customer authorization for each cancellation), or the customer, prior to the effective date that a pending enrollment is cancelled, the Authority shall transmit a request to reinstate service to the incumbent ESCO, unless the incumbent ESCO previously terminated service to the customer or the customer requests a return to full utility service.
7. With the exception of a new installation, use of an interim estimate of consumption or a special meter reading,[13] a change of providers is effective: on the first day of any month, after providing the Authority an electronic enrollment request no later than 5 business days after receipt of an enrollment request. Service to new delivery customers is effective after the installation is complete and, if necessary, inspected.

E. Customer Notification

1. The Authority shall send no later than one calendar day after acceptance of an enrollment request a verification letter to the customer notifying the customer of the

[13] If meters are read bimonthly and bills are issued monthly using estimated usage, the effective date for the interim months is the date usage is estimated for billing purposes.

acceptance. The notice shall inform the customer that if the enrollment is unauthorized or the customer decides to cancel it, the customer is required immediately to so notify the Authority and the pending ESCO.

2. Upon receipt of such cancellation, the Authority shall cancel the pending enrollment and reinstate the customer with the incumbent ESCO, if any, or the Authority, provided that the Authority is notified prior to the planned effective date. If the Authority is notified on or after the planned effective date, the change to the new provider shall occur and remain effective for one billing cycle. The customer shall return to full utility service at the end of the next switching cycle, unless the customer is enrolled by another ESCO in accordance with this section prior to the next switching cycle.
3. If a customer notifies the pending ESCO of such cancellation, the pending ESCO shall send a customer's drop request to the Authority within one business day.

F. Rejection of Enrollment Requests

The Authority may reject an enrollment request for any of the following reasons:

1. Inability to validate the transaction;
2. Missing or inaccurate data in the enrollment request;
3. ESCO’s ineligibility to provide service in the specified territory;
4. No active or pending delivery service;
5. A pending valid prior enrollment request; or
6. The account is coded as ineligible for switching.

G. Customer Relocations Within a Service Territory

1. A customer requesting relocation of service within the Authority’s service territory and continuation of its ESCO service, arranges for continuation at the new location of delivery service by contacting the Authority and of supply service by contacting the ESCO. Each provider contacted by the customer shall remind the customer of the need to contact the other provider to initiate the change in service or arrange for a conference call with the other provider and customer, and within two days, notify the other provider that a customer requested relocation of service.
2. The Authority’s representative shall inform the customer, or the customer’s agent, and the ESCO of the effective dates, contingent upon the customer’s approval, for discontinuance of service at one location and commencement of service at the new location. The ESCO shall confirm to the Authority that it shall continue service to the customer at the new location.
3. In the event that the ESCO is unable or does not wish to continue service to the customer at the new location, the Authority shall provide full utility service to the customer.

H. Customers Returning to Full Utility Service

A customer arranges for a return to full utility service by contacting either the ESCO or the Authority in accordance with this paragraph. An ESCO contacted by the customer shall, within one business day, process the customer’s request to return to full utility service. A utility contacted by a customer shall remind the customer to contact the ESCO about the customer's returning to full utility service provided, however, that if the customer has already contacted the ESCO or wants to proceed without contacting the ESCO, the utility shall, within one business day, process the customer's request to return to full utility service. If a change to full utility service results in restrictions on the customer's right to choose another supplier or application of a rate that is different than the one applicable to other full-service customers, the Authority shall provide advance notice to the customer.

1. A Direct Retail Customer that intends to change from procuring its own supplies to full utility service shall notify the Authority.
2. No ESCO shall transfer 5,000 or more customers during a billing cycle to full utility service, unless it provides no less than 60 calendar days' notice to the Authority and Department. The transfers shall occur on the customers' regularly scheduled meter reading dates, unless the Authorityand ESCO agree to a different schedule.
3. The following process sets forth the steps for an ESCO's return of a customer to full utility service.
   a. An ESCO may discontinue service to a customer and return the customer to full utility service provided that the ESCO notifies the customer and the Authority no later than 15 calendar days before the effective date of the drop. The ESCO's right to discontinue service to any customer is subject to any limitations contained in its salesagreement.
   b. An ESCO's notice to retail customers shall provide the following information:
      1. Effective date of the discontinuance, established by the Authority;
      2. Statement that the customer has the option to select another ESCO receive full utility service from the Authority, or, if available in the Authority's service area and the customer is eligible; and,
      3. Statement that customer shall receive full utility service until the customer selects a new ESCO and the change in providers is effective, unless the Authority notified the customer that it will terminate its delivery service on or before the discontinuancedate.
   c. The ESCO shall provide a sample form of the notice it plans to send to its customers when it transfers 5,000 or more customers to the Department for review no later than five calendar days before mailing the notice to customers.

I. New Delivery Customers
   1. A customer may initiate Authority delivery service and subsequently enter into a customer agreement with an ESCO for supply or arrange for both services at the same time.
   2. A customer may authorize an ESCO to act as the customer's agent (ESCO agent) in establishing Authority service. The ESCO agent shall retain, and produce upon request, documentation that the customer authorized the ESCO to act as the customer's agent.

      An ESCO acting as a customer's agent shall establish a new delivery account on behalf of the customer and enroll the customer with the Authority so that ESCO supply service commences when Authority delivery service begins. The ESCO shall retain, and produce upon request, documentation that the customer authorized the ESCO to act as the customer's agent. An ESCO that is a customer's agent is authorized to submit the customer's application for new delivery service, in compliance with requirements for such applications stated in the law, rules and Authority tariff. An ESCO shall provide the customer's name, service address and, if different, mailing address, telephone number, customer's requested service date for initiation of delivery service, and information about any special need customers, including any need for life support equipment. An ESCO shall refer a customer directly to the Authority for arrangement of distribution related matters, such as contribution-in-aid of construction and construction of facilities necessary to provide delivery service and settling of arrears and posting security.

3. Upon a customer's application for service, the Authority shall provide an ESCO with the effective date for initiation of delivery service and any other customer information provided to an ESCO in an acceptance of an enrollment request. The Authority may notify the customer of the acceptance.

J. Multiple Assignments of Sales Agreements

1. An ESCO may assign all or a portion of its sales agreements to other ESCOs provided that the assigned sales agreements clearly authorize such assignments or the ESCO provides notice to its customers prior to the assignments and an opportunity for each customer to choose another ESCO or return to full utility service. An ESCO shall provide a written notice no later than 30 calendar days prior to the assignment or transfer date to each customer and the Authority. The notice to the Authority shall include a copy of the assignment document, with financial information redacted, executed by the officers of the involved ESCOs, and a copy of the notice sent to the customer, or, if a form notice, a copy of the form and a list of recipients.
2. The assignment documents shall specify the party responsible for payment or reimbursement of any and all sums owed under any Authority tariff or Federal Energy Regulatory Commission tariff and any service agreements relating thereto, and under any agreements between ESCOs and the Authority and between ESCOs and their customers.
3. An ESCO's notices to customers shall provide the following information:
   a. Effective date of the assignment;
   b. The name, mailing and e-mail addresses, and telephone number of the assigned ESCO; and,
   c. Any changes in the prices, terms and conditions of service, to the extent permitted by the sales agreement.
4. The ESCO shall provide sample forms and any major modifications of such notices to the Department for review no later than five calendar days before mailing them to customers.
5. The Authority shall, within two business days after receipt of an assignment request, acknowledge and initiate processing of the request and send written notice of the request to the ESCO's assigned customer.

K. Unauthorized Customer Transfers

1. A change of a customer to another energy provider without the customer's authorization, commonly known as slamming, is not permitted. The Authority will report slamming allegations to the Department on at least a monthly basis.
2. An ESCO that engages in slamming shall refund to a customer the difference between charges imposed by the slamming ESCO that exceed the amount the customer would have paid its incumbent provider and pay any reasonable costs incurred by the Authority to change the customer's provider from the ESCO that engaged in slamming to another provider.
3. ESCOs shall retain two years or for the length of the sales agreement whichever is longer, documentation of a customer's authorization to change providers. Such documentation shall comply with the requirements described in Attachments 1, 2 or 3.

L. Lists of ESCO Customers, Budget Billing, Charges and Fees

1. The Authority, upon an ESCO's request, shall provide at no charge, once each calendar quarter, a list of the ESCO's customers at the time of the request and, monthly, the number of accounts enrolled with an ESCO and the ESCO's sales (kWh).
2. The Authority shall adjust its bills rendered under a budget billing plan on the effective date for changing a provider and include the adjustments in the customer's next bill.
3. Upon enrollment of the Authority customer with an ESCO or return of an ESCO customer to full utility service, the Authority shall impose no restrictions on the number or frequency of changes of electricity providers, except as provided in this paragraph. The Authority shall accept only one valid enrollment request per customer during a switching cycle. If multiple requests are received for the same customer during a switching cycle, the Authority shall accept the first valid enrollment request and reject subsequent enrollment requests.
4. The Authority shall impose no charge for changing a customer's electricity provider.
5. The Authority may establish a fee in its tariffs for a special meter reading.

Attachment 1

Telephonic Agreement and Authorization/Third Party Verification Requirements

A. A voice-recorded verification is required to enter into a telephonic agreement or a door to door agreement, with a customer to initiate service and begin enrollment. Use of either an Independent Third Party or an Integrated Voice Response system to obtain customer authorization is required for any telephone solicitation or sales resulting from door-to-door marketing. Verification by an Independent Third Party or an Integrated Voice Response system shall be recorded and conducted without the ESCO marketing representative's presence, either on the telephone or in person. A voice-recorded verification shall verify the following information to substantiate the customer's agreement or authorization:

1. Do you understand that this conversation is recorded and that oral acceptance of the [ESCO name]'s offer is an agreement to initiate service and begin enrollment?
2. Is it [specific date] at [specific time]?
3. Do you understand that the marketing representative represents [specific ESCO] and that [specific ESCO] is not the Authority?
4. If the sale was conducted through door-to-door marketing, has the marketer left the premises?
5. Are you [specify customer's name]/Please state your name (or is your company name [specify company name]/Please state your company's name)?
6. Do you live at [specific address]/Please state your address (or is your company located at [specify company address]/Please state your company's address)?
7. Is your email address [specific e-mail address] /Please provide your email address (if the customer chose to provide it)?
8. Is your Authority account number [specify account number]/ Please state your Authority account number?
9. Are you the primary account holder or do you have authority to make changes to this account?
10. If the sale was conducted through door-to-door marketing: did the ESCO marketing representative provide you with the sales agreement, his/her business card or contact information and leave a copy of the ESCO Consumer Bill of Rights?
11. If the sale was conducted through telemarketing: did the ESCO marketing representative offer to mail you a copy of the ESCO Consumer Bill of Rights or did the ESCO marketing representative tell you how to find the ESCO Consumer Bill of Rights online?
12. Did you agree to the terms of service as reviewed with you by the [ESCO name] representative on [INSERT ENROLLMENT DATE]?
    a. The price of ____(electricity) under the contract is

___for___months (years).

b. Or the price of____(electricity) under the contract is a variable rate and will vary month-to-month.

c. The early termination fee (if any) is___(this may be a methodology instead of a dollar amount).

13. If savings is guaranteed (compared to the utility rate), a plain description of the type of savings and the conditions that must be present in order for the customer to be eligible for savings. If savings is not guaranteed (as compared to the utility supply service) a statement indicating such;
14. Please be advised that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by your utility and the utility will also be available to respond other emergencies should they occur;
15. Do you authorize the release of the following information from your Authority: [specify information] and do you understand that you may rescind this authorization at any time by calling [specify toll free number] or e-mailing [specify e-mail address]?
16. For residential enrollments only: Do you understand that you may rescind the agreement within three business days after its receipt by [describe how such rescission can be accomplished] and if you do not rescind the agreement, an enforceable agreement will be created?

B. The ESCO, or its agent, shall provide a copy of any Customer Disclosure Statement and sales agreement to the customer by mail, e-mail or fax within three business days after the telephone agreement and independent third-party verification occurs. The sales agreement shall set forth the customer's rights and responsibilities and describe the offer in detail, including the specific prices, terms, and conditions of ESCO service. Such agreement shall be substantially the same, in form and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b.

C. The independent third-party verification shall be conducted in the same language used in marketing or sales materials presented to the customer and communicated clearly and in plain language.

D. An ESCO shall retain independent third-party verification records for two years from the effective date of the agreement and/or authorization or for the length of the sales agreement whichever is longer. In the event of any dispute involving agreement, authorization and/or the independent third-party verification, the ESCO shall make available the audio recording of the customer's agreement and/or authorization, including the independent third-party verification within five business days after a request from the Department.

Attachment 2

Electronic Agreement and Authorization Requirements

A. To enter into an electronic agreement with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, an ESCO, or its agent, shall electronically record communications with the potential customer. As required in Section 5, the Electronic Agreement and authorization may also require an independent third-party verification call, which must include the information in Attachment 1. An ESCO shall provide the following electronic information, as applicable, to substantiate the customer's agreement and/or authorization:

1. A statement that electronic acceptance of a sales agreement is an agreement to initiate service and begin enrollment;
2. The Customer Disclosure Statement and the sales agreement containing the prices, terms and conditions applicable to the customer, which, if printed as a physical document, would be substantially the same, in form, and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b.
3. If savings are guaranteed, or guaranteed under only certain circumstances, the ESCO must provide a written statement which includes a plain language description of the conditions that must be present in order for the savings to be provided;
4. An identification number and date to allow the customer to verify the specific sales agreement to which the customer assents;
5. A statement from the ESCO that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by the customer's utility; and that said utility will also be available to respond to other emergencies should they occur;
6. A requirement that the customer accept or not accept the sales agreement by clicking the appropriate box, displayed as part of the terms and conditions; after the customer clicks the appropriate box to accept the sales agreement, the system shall display a conspicuous notice that the ESCO accepts the customer;
7. Use of an electronic process that prompts a customer to print or save the sales agreement and provides an option for the customer to request a hard copy of the sales agreement; an ESCO shall send the hard copy by mail within three business days after a customer's request;
8. A description of the types of information that the ESCO needs to obtain from the Authority and the purposes of its use, a request that the customer provide authorization for release of this information, and the effective duration of the authorization;
9. A requirement that the customer agree or not agree to provide such authorization by clicking the appropriate box, displayed as part of the terms and conditions;
10. A statement that a residential customer may rescind the agreement and authorization within three business days after electronic acceptance of the sale agreement; a statement that a customer may rescind the authorization for release of information at

any time; provision of a local or toll-free telephone number, and/or an e-mail address for these purposes; upon cancellation of the agreement, the ESCO shall provide a cancellation number;

11. Verification of the date and time of the electronic agreement and authorization; and
12. Provision by the customer of the customer's name, address, Authority customer account number, and any additional information to verify the customer's identify.

B. The ESCO shall, within three business days of any final agreement to initiate service to a customer, send an electronic confirmation notice to the customer at the customer's e-mail address.

C. The ESCO shall use an encryption standard that ensures the privacy of electronically transferred customer information, including information relating to enrollment, renewal, re-negotiation, and cancellation.

D. Upon request of a customer, the ESCO shall make available additional copies of the sales agreement throughout its duration. An ESCO shall provide a toll-free telephone number and e-mail address for a customer to request a copy of the sales agreement.

E. An ESCO shall retain documentation of a customer's agreement in a retrievable format for two years from the effective date of the customer's acceptance and/or authorization or for the length of the sales agreement whichever is longer. In the event of any dispute involving an electronic agreement or authorization, the ESCO shall provide a copy of the customer's acceptance of the sales agreement and/or authorization for release of information or provide on-line access to the acceptance and/or authorization within five calendar days after a request from the Department.

Attachment 3

Written Agreement and Authorization Requirements

A. An ESCO may enter into a written agreement (original or fax copy of a signed document) with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information. As required in Section 5, the Electronic Agreement and authorization may also require an independent third-party verification call, which must include the information in Attachment 1. A sales agreement shall contain, in addition to the Customer Disclosure Statement discussed in UBP-LI-ESCO Section 2.B.1.b.2, the following information, as applicable:
   1. A statement that a signature on a sales agreement is an agreement to initiate service and begin enrollment;
   2. A description of the specific prices, terms, and conditions of ESCO service applicable to the customer, which is substantially the same, in form and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b and, if savings are guaranteed, or guaranteed under only certain circumstances, the ESCO must provide a plain language description of the conditions that must be present in order for the savings to be provided;
   3. A description of the types of information that the ESCO needs to obtain from the Authority, the purposes of its use, and effective duration of the authorization;
   4. A statement that acceptance of the agreement is an authorization for release of such information;
   5. A customer signature and date; the sales agreement shall be physically separate from any check, prize or other document that confers any benefit on the customer as a result of the customer's selection of the ESCO;
   6. A statement that a residential customer may rescind the agreement within three business days after signing the sales agreement; a statement that a customer may rescind the authorization for release of information at any time; provision of a local, toll-free telephone number, and/or e-mail address for these purposes; the customer may fax a copy of a signed sales agreement to the ESCO; upon cancellation of the agreement, the ESCO shall provide a cancellation number; and
   7. The customer's name, mail and any e-mail address (if the customer chooses to provide it), Authority account number, and any additional information to verify the customer's identify.
   8. A statement from the ESCO that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by the customer's utility; and that said utility will also be available to respond to other emergencies should they occur;

B. ESCOs shall retain written agreements and/or authorizations for two years from the effective date of the agreement and/or authorization or for the length of the agreement whichever is longer. In the event of any dispute involving a sales agreement or authorization, the ESCO shall provide a copy of the sales agreement and/or authorization within five business days after a request from the Department.

Attachment 4

Sample Customer Disclosure Statement

Price	
Fixed or Variable and, if variable, how the price is determined	
Length of the agreement and end date	
Process customer may use to rescind the agreement without penalty	
Amount of Early Termination Fee and method of calculation	
Amount of Late Payment Fee and method of calculation	
Provisions for renewal of the agreement	
Conditions under which savings to the customer are guaranteed	

Attachment 5

Enrollment and Drop Requests Information Requirements

A. An ESCO shall provide the following information for enrollment requests, and an ESCO or Authority shall provide the following information for drop requests:
   1. Utility ID (DUNS# or tax ID);
   2. ESCO ID (DUNS# or tax ID); and,
   3. Customer's utility account number (including check digit, if applicable).

B. The following information is required for enrollment requests:
   1. Customer's bill option;
   2. For Authority rate ready consolidated billing:
      a. an ESCO's fixed charge, supply price, sales and use tax rate or rate code;
      b. ESCO customer account number;
      c. budget billing status indicator; and,
      d. tax exemption percent and portion taxed as residential.
   3. For electric service: indicator for a partial requirements customer, if applicable.

C. The following information is required for drop requests:
   1. Reason for the drop;
   2. For Authority request, service end date;
   3. For ESCO initiated request, effective date of customer move, if applicable.

SECTION 6: CUSTOMER INQUIRIES

A. Applicability

This Section establishes requirements for responses by an ESCO or Authority to retail access customer inquiries. An ESCO or the Authority shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.

B. General

1. The Authority and ESCOs shall provide consistent and fair treatment to customers.
2. The Authority and ESCOs shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.
3. The Authority and ESCOs shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints.
4. CSRs shall obtain information from the customer to access and verify the account or premises information. Once verification is made, the CSR shall determine the nature of the inquiry, and, based on this determination, decide whether the Authority or the ESCO is responsible for assisting the customer.
5. The CSR shall follow normal procedures for responding to inquiries. If the inquiry is specific to another provider's service, the CSR shall take one of the following actions:
   a. Forward/transfer the inquiry to the responsible party;
   b. Direct the customer to contact the responsible party; or,
   c. Contact the responsible party to resolve the matter and provide a response to the customer.
6. The Authority and ESCO shall maintain a customer service group to coordinate and communicate information regarding customer inquiries and designate a representative to provide information relating to customer inquiries to the Department.
7. ESCOs may provide a teletypewriter (TTY) system or access to TTY number.

C. Specific Requests for Information

1. The Authority or ESCO shall respond directly to customer inquiries for any information that is related to supply and/or delivery service, to the extent it has the necessary information to respond.
2. The entity responsible for the accuracy of meter readings shall respond to customer inquiries related to usage.

3. The Authority and ESCO shall respond to customer inquiries about billing and payment processing, in accordance with UBP-LI-ESCO Section 9, Billing and Payment Processing.

D. Emergency Contacts
1. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, natural disaster, downed wires, electrical contact, or fire.
2. The ESCO CSR shall transfer emergency telephone calls directly to the Authority or provide the Authority's emergency number for direct contact to the Authority. If no ESCO CSR is available, the ESCO shall provide for after-hours emergency contacts, including transfer of emergency calls directly to the Authority or an answering machine message that includes an emergency number for direct contact to the Authority.
3. Each ESCO shall provide periodic notices or bill messages to its customers directing them to contact the Authority in emergency situations and providing the emergency number.

SECTION 7: AUTHORITY INVOICES

A. Applicability

This Section establishes procedures for invoices of charges for services provided by the Authority directly to an ESCO or Direct Retail Customer. The Authority and ESCO or Direct Retail Customer may agree to establish other arrangements and procedures for presentation and collection of invoices for services rendered.

B. Invoices

1. An ESCO or Direct Retail Customer shall pay the full amount due, without deduction, set-off or counterclaim, within 20 calendar days after the date of electronic transmittal or postmarked date (due date). Subsequent to the due date, charges are overdue and subject to late payment charges at the rate of 1.5% per month. The overdue charges include the amount overdue, any other arrears, and unpaid late payment charges. The Authority may provide, upon request, supporting or back-up data in electronic form, if available on its computer system.
2. The Authority shall provide interest at the rate of 1.5% on an overpayment caused by the Authority's erroneous billing, provided that it may, without applying interest, credit all or a portion of the overpayment to the next bill issued within 30 days and/or refund all or a portion of the overpayment, upon request, within 30 days after its receipt. The Authority shall refund any credit balances, upon request.
3. An ESCO or Direct Retail Customer shall make payments by means of an electronic funds transfer. The Authority shall use any partial payments first to pay any arrears and second to pay current charges.

C. Billing Inquiries and Disputes

1. An ESCO or Direct Retail Customer shall make any claims relating to inaccuracies of invoices in writing no later than 90 calendar days after the date of electronic transmittal or postmarked date. ESCOs and/or Direct Retail Customers are responsible for payment of disputed charges during any pending dispute.
2. The Authority shall designate an employee and provide a telephone number and e-mail address for receipt of inquiries from an ESCO or a Direct Retail Customer relating to invoices. The employee shall direct an ESCO or Direct Retail Customer that presents an inquiry or complaint to the responsible and knowledgeable person able to explain charges on an invoice.
3. The Authority shall acknowledge in writing receipt of an inquiry within five calendar days after its receipt. The Authority shall investigate and respond in writing to the inquiry within 20 calendar days after its receipt.
4. The Authority shall refund any overpayments, including interest, within five calendar days after it makes a determination that an ESCO or Direct Retail Customer made an overpayment. It may provide the refund by applying a credit to any overdue amounts or making direct payment of any remainder. The Authority shall provide refunds by means of an electronic funds transfer. Interest is calculated at the rate of 1.5 % per month from the date of the overpayment to the refund.

5. No interest is required on overpayments voluntarily made by an ESCO or Direct Retail Customer to an account, unless an overpayment is applied to security.

SECTION 8: DISPUTES INVOLVING THE AUTHORITY, ESCOs OR DIRECT RETAIL CUSTOMERS

A. Applicability

This Section describes the dispute resolution processes available at the Department to resolve disputes relating to competitive energy markets involving utilities, ESCOs and/or Direct Retail Customers, including disputes alleging anti-competitive practices. The processes are not available to resolve disputes involving individual retail customers against either an ESCO or the Authority. They are also not applicable to matters that, in the opinion of the Department Staff, should be submitted by formal petition to the Public Service Commission for its determination or are pending before a court, state or federal agency. The availability of the processes does not limit the rights of the Authority, ESCO or Direct Retail Customer to submit any dispute to another body with jurisdiction for resolution.

B. Dispute Resolution Processes

The parties shall in good faith use reasonable efforts to resolve any dispute before invoking any of these processes. The Authority's Tariff for Electric Service and operating and service agreements between the parties shall identify the processes used to resolve disputes and shall refer to the dispute resolution processes described in this Section as acceptable processes to resolve disputes.

1. Standard Process

The parties shall use a method to send documents described in this paragraph that will verify the date of receipt.

The Authority, an ESCO or Direct Retail Customer may initiate a formal dispute resolution process by providing written notice to the opposing party and Department Staff. Such notice shall include a statement that the UBP-LI-ESCO dispute resolution process is initiated, a description of the dispute, and a proposed resolution with supporting rationale. Department Staff may participate in the process at this or any later point to facilitate the parties' discussions and to assist the parties in reaching a mutually acceptable resolution.

a. No later than ten calendar days following receipt of the dispute description, if no mutually acceptable resolution is reached, the opposing party shall provide a written response containing an alternative proposal for resolution with supporting rationale and send a copy to Department Staff.

b. No later than ten days after receipt of the response, if no mutually acceptable resolution is reached, any party or Department Staff may request that the parties schedule a meeting for further discussions. The parties shall meet no later than 15 calendar days following such request, upon advance notice to Department Staff, unless the parties and Department Staff agree upon another date. The Department may assign one or more Staff members to assist the parties in resolving the dispute.

c. If no mutually acceptable resolution is reached within 40 calendar days after receipt of the written description of the dispute, any party may request an initial decision from the Department. A party to the dispute may appeal the initial decision to the Authority's President and Chief Executive Officer.

d. If the parties reach a mutually acceptable resolution of the dispute, they shall provide to Department Staff a description of the general terms of the resolution.

2. Expedited Process

a. In the event that an emergency situation arises to justify immediate resolution of a dispute, any party may file a formal dispute resolution request with the Secretary to the Public Service Commission asking for expedited resolution. An emergency situation includes, but is not limited to, a threat to public safety or system reliability or a significant financial risk to the parties or the public. The filing party shall provide a copy of the request to other involved parties and the Department Staff designated to receive information related to dispute resolution under this Section. The request shall describe in detail the emergency situation requiring expedited resolution, state in detail the facts of the dispute, and, to the extent known, set forth the positions of the parties.

SECTION 9: BILLING AND PAYMENT PROCESSING

A. Applicability

This Section establishes requirements[14] for billing and payment processing options offered by the Authority and ESCO in a multi-retailer model. The Authority and ESCO shall comply with the requirements established in this Section, unless they agree upon modifications or other procedures for billing and payment processing in a Billing Services Agreement.

B. Billing and Payment Processing Options: General Requirements

1. The Authority shall offer to ESCOs without undue discrimination the billing and payment processing options available in its service territory.
2. A customer participating in a retail access program shall select from the billing and payment processing options offered by ESCOs.
3. The Authority shall allow its customers to select, through their ESCOs, one of the billing and payment options available in the Authority's service territory. An ESCO may offer to its customers billing and payment processing options available in the customer's service territory and shall maintain or provide for the capability of issuing a separate bill for its services under the dual billing option. An ESCO customer may direct the Authority to send its consolidated bills or dual bills to a third party for processing and payment. Consolidated billing is not available to ReCharge NY Customers at this time.
4. The Authority will perform the responsibilities of billing a customer of an ESCO based upon the billing and payment processing options available to the customer and the customer's choice.
5. The Authority shall make validated usage information available to an ESCO at the time that the Authority determines that the information is acceptable.[15]
6. Information on customer usage, billing, and credit is confidential. The Authority may release such information, upon a customer's authorization, in accordance with the UBP-LI-ESCO Section 5, Changes in Service Providers.
7. The Authority and ESCO shall demonstrate the technical capability to exchange information electronically for their billing and payment processing options.
8. An ESCO shall provide 60 calendar days' notice by mail, e-mail or fax to the Authority of any plan to offer a billing option that is not currently offered to its customers. The Authority may agree to a shorter notice period preceding initiation of the option. The 60 calendar-day notice shall not impose any obligation on any party to proceed without a successful test of data exchange capability and the fulfillment of other obligations described in this Section. If an ESCO later changes its system, it shall provide adequate advance notice and conduct any additional testing required.

[14] The requirements are applicable when EDI is available upon issuance by the Commission of data standards applicable to a bill model and operational upon successful completion of the testing required for a bill model.

[15] The Authority shall provide electronic interval data in summary form (billing determinants aggregated in the rating periods under the Authority's tariffs) via EDI and, if requested, or if EDI is not available, in detail via an acceptable alternative electronic format if retrieved from meters.

9. The Authority and an ESCO are responsible for separately remitting their tax payments to the appropriate taxing authorities.
10. Where the Authority is the consolidated billing party, the Authority is not required to support processing of prepayments or application of customer prepayments to ESCO charges.

C. Consolidated Billing: General Requirements
   1. The Authority and ESCO shall establish in a Billing Services Agreement (BSA) detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities.
   2. The Authority will use the rate ready method[16] for issuing consolidated bills.
   ~~2.~~3. Consolidated billing is not available for ReCharge NY Customers at this time.

D. Consolidated Billing: Functions and Responsibilities
   1. The Authority shall perform the following functions and responsibilities[17]:
      a. If the rate ready method is used, receive rates, rate codes and/or prices (fixed and/or variable) and other billing information from the ESCO;
      b. Receive bill messages from the ESCO;
      c. If the rate ready method is used, calculate billed charges, including sales and use taxes; the ESCO is required to provide the customer's sales and use tax rate to the Authority;
      d. Print or make available electronically consolidated bills that state the ESCO's charges, including taxes, arrearages, late fees, and bill messages.
      e. Insert in bill envelopes consolidated bills and inserts required by statute, regulation or Public Service Commission order;
      f. Stamp, sort and mail consolidated bills or, if authorized, transmit bills electronically;
      g. Cancel and rebill charges;
      h. Notify the ESCO of amounts billed, by account, within two business days after rendering bills to customers;
      i. Receive and record customer payments;
      j. Allocate and transmit the ESCO's share of receipts, by account, to the ESCO;
      k. Respond to general inquiries and complaints about the bill and its format; refer customers to the ESCO for inquiries and complaints related to the ESCO's rates, charges, services, or calculations; and,
      l. Maintain records of billing information, including amounts collected, remaining and transferred, and dates.
   2. To initiate consolidated billing using the rate ready method, the ESCO shall provide the Authority with the rates, rate codes, and/or prices (fixed and/or variable) and tax

[16] An ESCO operating in the LIPA service territory may not perform any billing functions on behalf of the Authority under a Consolidated Billing option.

[17] The Authority, when providing the rate ready method for utility consolidated billing is not obligated to calculate or bill separately for other goods and services that an ESCO may provide.

rates necessary to calculate the ESCO's charges. The Authority shall specify in the BSA the number of prices for each service class accepted, deadline for transmission, effective date, and acceptable frequency of changes.[18]

3. The Authority may process special handling requests from customers provided that it obtains agreement from the ESCO for requests that affect it;
4. The Authority is not required to calculate or provide separate statements to customers regarding gross receipts taxes applicable to an ESCO's charges. The ESCO may calculate and provide information on the gross receipts taxes applicable to its charges in a bill message.

E. Consolidated Billing: Content

1. The Authority may decide upon the format for its consolidated bill provided that it states a summary of total charges and separately states Authority and ESCO charges in sufficient detail to allow a customer to judge their accuracy. Such separate statements shall appear in clearly separated portions of the bill and identify their source, Authority or ESCO.
2. A consolidated bill shall contain the information listed in Attachment 1, General Information, preferably in a summary section. The Authority may place the information on the bill in any order or location.
3. A consolidated bill shall contain the information listed in Attachment 2, Authority Content.
4. A consolidated bill shall contain the information listed in Attachment 3, ESCO Content, separately stated for each ESCO.
5. If the rate ready method is used, the ESCO shall provide to the Authority information listed in Attachment 3, ESCO Section Content, to the extent necessary for the Authority to calculate and issue bills. To initiate utility consolidated billing using the rate ready method, an ESCO shall provide the information to the Authority on or before 15 calendar days prior to the scheduled meter reading date. An ESCO may request a price or rate change no later than four business days prior to its effective date.
6. If the Authority and ESCO agree to show the ESCO's logo on the bill, the ESCO shall provide it in an acceptable electronic format at least thirty days before its initial use.
7. If the rate ready method is used, an ESCO is not required to provide information after it is initially submitted, except when a change is made.
8. No party shall engage in cramming.
9. An ESCO may display its bill messages up to 480 characters in length on the bill provided that the Authority raises no reasonable objection to the message. There is no limit in message length for the Authority. If the rate ready method is used, an ESCO shall submit to the Authority a common bill message on or before 15 calendar days before the date used. Unless a final print date is provided, the Authority shall continue to

[18] If the Authority's billing system is capable of providing the service, the Authority shall, upon request, apply a different rate, rate code, and/or price and tax rate to usage during different portions of the billing cycle to service provided after the effective date of the change. The ESCO shall request a change in the rate, rate code, and/or price no later than four business days prior to the effective date requested.

print the message on bills until he ESCO transmits a different message or requests its discontinuance. In emergencies requiring printing of messages on bills, the Authority shall accommodate the needs of the ESCO, if practicable.

10. The Authority shall, in a timely manner, print on bills or insert into bill envelopes information that a statute, regulation, or to be consistent with a Public Service Commission order, the Authority or ESCO to send to its customers. The Authority may not assess charges for inclusion of required inserts that do not exceed one-half ounce. The Authority may charge for any excess weight. The party responsible for providing the information shall submit it to the Authority. If the information is provided in a bill insert, the responsible party shall deliver the inserts in preprinted bulk form in a proper size on or before 15 calendar days before the date requested for initiation of distribution to customers to a location designated by the Authority.
11. Due dates and other general payment terms and conditions shall be identical for Authority and ESCO charges, unless different terms and conditions would have no impact on them. In the event of a conflict, the Authority's payment terms and conditions shall govern.

F. Consolidated Billing: Bill Issuance

1. No late charge may be applied to customers' bills for Authority charges, if payment is received within the grace period. If the rate ready method is used, the ESCO shall transmit any revisions in rate and/or price data to the Authority on or before four business days prior to the prescribed date.
2. If a rate ready method is used, the Authority shall render a bill in accordance with the Authority's regular bill issuance schedule. A bill is rendered upon transfer to the custody of the U.S. Postal Service or other delivery service or, if authorized by a customer, sent electronically to a valid e-mail address or telefax number, displayed on a secure website, or presented directly to the customer or customer's representative.
3. If the rate ready method is used, the Authority shall provide to the ESCO within two business days after bill issuance, a statement of the accounts billed, date of issuance and amount of the ESCO's charges shown on the bill (past due, current, and late payment charges and taxes).

G. Consolidated Billing: Cancellations and Rebills

1. If ESCO errors occur and are not corrected before the bill is issued, the Authority is not required to cancel bills or issue new bills. The ESCO shall provide any necessary explanations to the customer and the Authority and make any necessary adjustments on the next bill.
2. If no party errs, the parties may agree to cancel and rebill.
3. To cancel a bill, the Authority shall:
   a. Cancel usage by billing period;
   b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
   c. Send cancelled usage at the same level of detail as the original usage;
   d. Using the rate ready method, if a bill is to be cancelled and reissued, recalculate charges and issue revised bills to customers within two business days after receipt

of the revised usage data;

4. To restate usage for a period, the Authority shall first cancel usage for that period and then send the full set of restatement transactions.

H. Consolidated Billing: Payment Processing and Remittance

1. The parties shall set forth their responsibilities, performance parameters, financial arrangements and other details associated with payment processing and remittance in a BSA. A BSA shall establish procedures for processing payments made on any purchased accounts receivable.
2. Payment Processing
   a. The Authority may impose late payment charges on unpaid amounts not in dispute.
   b. If a customer's check is returned for any reason, the Authority may charge the customer's account for the return fee and any reasonable administrative fee.
3. Application of payments
   a. The Authority may retain any payment amounts in excess of the amounts due as prepayments for future charges or return the excess amounts to customers.
4. Customer Disputes: Initiating a Bill Complaint
   a. A customer or authorized representative may initiate a customer complaint regarding some or all of the charges on the customer's bill at any time.
   b. When a complaint relates to the entire bill, to only the Authority's charges or services, or, using the rate ready method, to calculation of the Authority or ESCOs charges, the customer should contact the Authority. The Authority shall resolve the complaint and, if appropriate, place the customer's account in dispute. In the event the inquiry concerns only a ESCO's bill, charges, services, or calculations, the Authority shall refer the customer to the ESCO.
5. Customer Complaints: Notification
   a. Upon a determination that a complaint affects the entire bill, the Authority shall notify the ESCO of the subject and amount in dispute, if known.
   b. The ESCO shall inform the Authority of disputes related to ESCO charges that would affect the billing process.
   c. Once such complaints are resolved and the billed amounts are no longer in dispute, the other party shall be notified.

I. Consolidated Billing: Call Centers

The Authority shall provide call centers with toll-free or local telephone access available 24 hours a day and an answering machine or voice mail service during the hours when call center staff is not available. The Authority shall maintain adequate staff to respond to customers' inquiries or refer inquiries to the ESCO, where appropriate, within two business days.

J. Dual Billing

1. The Authority and ESCO, acting as separate billing parties, shall render separate bills directly to the customer or the customer's representative. The customer or its representative shall pay the Authority and the ESCO separately.

2. The Authority's bill shall conform to the standards set by the Public Service Commission.
3. The Authority shall transmit usage data to the ESCO at the time the information is available for rendering bills to customers, which may or may not coincide with meter reading cycle dates.
4. The ESCO may decide upon its bill format provided that it states its charges in sufficient detail to allow customers to judge the accuracy of their bills. At a minimum, an ESCO shall provide the following information:
    a. Customer's name and billing address and, if different, service address;
    b. Customer's account number or ID;
    c. Period or date associated with each product or service billed;
    d. Name of the entity rendering the bill;
    e. Address to which payments should be sent or the location where payments may be made;
    f. Local or toll-free number for billing inquiries; if an ESCO enrolls and communicates with customers electronically, an e-mail address and telephone number with area code;
    g. Due date for payment and a statement that late payment charges shall apply to payments received after the due date; and
    h. Amount and date of payments received since the last bill.
5. Whenever the Authority cancels consumption for an account, it shall provide a notice of cancellation and restated billing parameters for the account to an ESCO and the Authority, if applicable, and shall:
    a. Cancel usage by billing period;
    b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
    c. Send cancelled usage at the same level of detail as the original usage; and,
    d. To restate usage for a period, cancel usage for that period and send the full set of billing parameter restatements.

Attachment 1

General Information

A. Customer name
B. Service address
C. Billing address, if different than service address
D. Authority account number, if any
E. Start of billing cycle period (prior meter reading date for metered customers)
F. Starting period meter reading (for metered customers)
G. End of billing cycle period (current meter reading date for metered customers)
H. Ending period meter reading (for metered customers)
I. Billing period metered usage, any multiplier necessary to convert usage to billing units and resulting billing units (for metered customers)
J. Billing period demand, if applicable
K. Indicators, if usage is estimated, actual or customer provided
L. Total current charges (total of the Authority and ESCO charges, including late charges and taxes)
M. Total prior billed charges (total of the Authority and ESCO prior bill charges, including prior late charges and taxes)
N. Total credits since last bill (total of the Authority and ESCO credits);
O. Date through which the credits are applied
P. Total current bill (total of the Authority and ESCO charges plus prior bill charges less credits)
Q. Billing party name
R. Billing party address
S. Billing party toll-free or local telephone number, and for the Authority that enrolls and communicates electronically with customers, an e-mail address and telephone number with area code, in lieu of a toll-free or local telephone number
T. Authority toll free-or local telephone number and emergency telephone number
U. Method and location for payments
V. Date of bill
W. Payment due date
X. The Authority’s messages of any length that apply in general to the bill and services provided by the Authority and ESCO, that are not reasonably objectionable to the parties.

Attachment 2

Authority Content

A. Authority name, and logo, if the parties agree
B. Authority address
C. Authority toll-free or local telephone number for inquiries about the Authority's portion of the bill and the Authority's emergency number
D. Authority customer account number
E. Authority utility rate classification identifier
F. Authority utility rates per billing unit, if applicable
G. Authority rates not based on billing units, if applicable, and unbundled, if applicable
H. Authority charge adjustments and adders, separately stated
I. Taxes on Authority's charges, if separately stated
J. Billing period total Authority charges
K. Prior billing period total Authority charges, including any prior late charges
L. Credits on prior Authority utility charges
M. Net prior Authority balance remaining, unless included in total prior billed charges stated in the General Information Section
N. Late charge for unpaid prior Authority balance, unless included in total prior billed charges stated in the General Information Section
O. Total amount due for the Authority's services
P. If a budget bill, applicable billing information and resulting budget bill amount due for Authority's services

Attachment 3

ESCO Content

A. ESCO name and logo, if parties agree
B. ESCO address
C. ESCO toll-free or local telephone number for billing inquiries; ESCOs that enroll and communicate electronically with customer may provide an e-mail address and telephone number with area code in lieu of a toll-free or local telephone number; if a rate ready method is used, the Authority shall include a notice directing ESCO customers to call the Authority first to clarify bill calculations
D. ESCO account number,
E. ESCO rate classification, if applicable
F. ESCO rate per billing unit, if applicable
G. ESCO rate not based on Authority unit, if applicable
H. ESCO charge adjustments and adders, if any, separately stated
I. Taxes on ESCO charges, if required to be separately stated
J. Billing period total ESCO charges
K. Prior billing period total ESCO charges, including any prior late charges, unless included in total prior billed charges stated in the General Information Section
L. Credits on prior ESCO charges
M. Net prior ESCO balance remaining
N. Total amount due for ESCO services
O. If a budget bill, applicable billing information and resulting budget bill amount due
P. The ESCO's bill message, if any, up to 480 characters.

SECTION 10: MARKETING STANDARDS

A. Applicability

This Section describes the standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York.

B. Training of Marketing Representatives

1. ESCOs shall ensure that the training of their marketing representatives includes:
   a. Knowledge of this Section and awareness of the other Sections of the New York Uniform Business Practices;
   b. Knowledge of the ESCO's products and services;
   c. Knowledge of ESCO rates, payment options and the customers' right to cancel, including the applicability of an early termination fee;
   d. Knowledge of the applicable provisions of the Home Energy Fair Practices Act that pertains to residential customers; and,
   e. The ability to provide the customer with a toll-free number from which the customer may obtain information about the ESCO's mechanisms for handling billing questions, disputes, and complaints.

C. Contact with Customers

1. In-Person Contact with Customers[19]

   ESCO marketing representatives who contact customers in person at a location other than the ESCO's place of business for the purpose of selling any product or service offered by the ESCO shall, before making any other statements or representations to the customer:

   a. Introduce him or herself with an opening statement that identifies the ESCO which he or she represents as an Energy Services Company, identifies him or herself as a representative of that specific ESCO; explains that he or she does not represent the Authority; and, explains the purpose of the solicitation.
   b. Produce identification, to be visible at all times thereafter, which:
      1. Prominently displays in reasonable size type face the first name and employee identification number of the marketing representative;
      2. Displays a photograph of the marketing representative and depicts the legitimate trade name and logo of the ESCO they are representing;
      3. Provides the ESCO telephone number for inquires, verification and complaints.
   c. During the sales presentation, the marketing representative must also state that if customer purchases electricity from the ESCO, that the customer's utility will continue to deliver their energy and will respond to any emergencies. This requirement may be fulfilled either (a) by an oral statement by the ESCO marketing representative, or (b) written material left by the ESCO marketing representative.

[19] Including but not limited to marketing encompassed in the definition of door to door sales.

d. An ESCO marketing representative must provide each prospective residential customer a business card or similar tangible object with the ESCO marketing representative's first name and employee identification number; ESCO's name, address, and phone number; date and time of visit and website information for inquires, verification and complaints.
e. An ESCO marketing representative must provide each prospective residential customer or customer that is marketed to via door to door marketing, with a copy of the ESCO Consumers Bill of Rights, before the ESCO marketing representative makes his or her sales presentation.
f. An ESCO marketing representative must provide the customer with written information regarding ESCO products and services immediately upon request which must include the ESCOs name and telephone number for inquires, verification and complaints. Any written materials, including contracts, sales agreements, marketing materials and the ESCO Consumers Bill of Rights, must be provided to the customer in the same language utilized to solicit the customer.
g. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the ESCO marketing representative or where the customer or another third party informs the ESCO marketing representative of this circumstance, the ESCO marketing representative shall either find a representative in the area who is fluent in the customer's language to continue the marketing activity in his/her stead or terminate the in-person contact with the customer. The use of translation services and language identification cards is permitted.
h. An ESCO marketing representative must leave the premises of a customer when requested to do so by the customer or the owner/occupant of the premises.
i. As stated in Section 5.B.2, for any sale resulting from door-to-door marketing, each enrollment is only valid with an independent third-party verification in conformance with Section 5, Attachment 1. The verification must occur after the marketing agent has left the customer's premises and must be completed before the ESCO may enroll a customer.
j. All ESCOs who have ESCO marketing representatives conducting door-to-door marketing must maintain a daily record, by zip code, of the territories in which the ESCO's marketing representatives have conducted door-to-door marketing. The information should be in a form that can be reported to Staff upon request and should be retained by the ESCO for a minimum of six months.

2. Telephone Contact with Customers

ESCO marketing representatives who contact customers by telephone for the purpose of selling any product or service offered by the ESCO shall:

a. Provide the ESCO marketing representative's first name and, on request, the identification number;
b. State the name of the ESCO on whose behalf the call is being made;
c. Never represent that the ESCO marketing representative is an employee or representative or acting on behalf of the Authority. In addition, the ESCO marketing

representative must clearly indicate that taking service from an ESCO will not affect the customer's service with the Authority and such service will continue to be provided by the Authority;

d. State the purpose of the telephone call;

e. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the ESCO representative or where the customer or another third party informs the ESCO marketing representative of this circumstance, the ESCO marketing representative will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call; and,

f. Remove Customers' names from the marketing database upon Customers' request.

g. When marketing to residential customers the ESCO marketing representative must also:

    1. Explain that he or she does not represent the Authority;
    2. Explain the purpose of the solicitation;
    3. Notify each prospective customer of the ESCO Consumer Bill of Rights, where they can find it, and also provide a copy of the ESCO Consumer Bill of Rights with any written material sent to the customer including the sales agreement; and,
    4. Provide any written materials, including contracts, sales agreements, marketing materials and the ESCO Consumers Bill of Rights, must be provided to the customer in the same language utilized to solicit the customer.

h. As stated in Section 5.B.2, for any sale resulting from telephonic marketing, each enrollment is only valid with an independent third-party verification in conformance with Section 5, Attachment 1. The verification must be completed before the ESCO may enroll a customer.

3. Electronic Enrollments

    a. When marketing to residential customers the ESCO Consumer Bill of Rights should be provided to prospective customers as a non-avoidable screen, which a customer must affirmatively acknowledge to verify they have seen the document, prior to effecting an enrollment.

4. Conduct

ESCOs shall:

a. Not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation, or Order;

b. Not make false or misleading representations including misrepresenting rates or savings offered by the ESCO;

c. Provide the customer with written information, upon request, or with a website address at which information can be obtained, if the customer requests such information via the internet;

d. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, early termination fees and right of cancellation consistent with Section 2 of the UBP-LI-ESCO and any other relevant Section;

e. Ensure that any product or service offerings that are made by an ESCO contain information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the ESCO representative has substantive discussions with the customer or in which a contract is negotiated;

f. Investigate customer inquiries and complaints concerning marketing practices within five days of receipt of the complaint; and,

g. Cooperate with the Department and PSC regarding marketing practices proscribed by the UBP-LI-ESCO and with local law enforcement in investigations concerning deceptive marketing practices.

5. Dispute Resolution

   a. ESCOs will maintain an internal process for handling customer complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department.

Table of Contents (continued):

VIII. SERVICE CLASSIFICATIONS (continued):

O. SERVICE CLASSIFICATION NO. 11 - Buy~~b-B~~back Service (continued):
(Rate Code: 289)

10. Rates and Charges

a) Charges to be paid by the Customer to the Authority

(1) Customer Charge and Buyback Contract Demand Charge

~~Service Charge per Installation per Month~~
The customer will be required to pay a Customer Charge (per month) and a Buyback Contract Demand Charge (per kW per month) based on the customer's otherwise applicable service classification for delivery service, however, if service is taken by the customer under both SC-11 and another service classification of this Tariff through the same service connection then:

(a) The Customer Charge will be waived under SC-11; and
~~A Customer who is interconnected at the distribution voltage level and taking service under this and another Service Classification, shall pay a monthly charge for the additional metering devices required for this Service Classification. This charge is in addition to the Contract-Demand Charges in (2) (c) below. However, Special Provision 10.(c) below may apply.~~

	~~Regular Meter~~	~~Off-Peak Meter~~
~~Secondary Voltage (7 kW and less)~~	~~$7.50~~	~~$12.75~~
~~Secondary Voltage (above 7 kW)~~	~~$12.25~~	~~$15.00~~
~~Primary Voltage:~~	~~$65.00~~	~~$87.50~~

(b) The Buyback Contract Demand Charge under SC-11 shall apply only to the Buyback Contract Demand in excess of the Contract Demand billed under SC-12, or the Buyback Contract Demand in excess of the demand billed under another service classification of this Tariff.
~~A Customer interconnected at the distribution voltage level and taking service only under this Service Classification, shall pay a monthly charge for local facilities (meter, service, line extension plant). This charge is in addition to the Contract-Demand Charges in (2) (c) below.~~

	~~Regular Meter~~	~~Off-Peak Meter~~
~~Secondary Voltage (7 kW and less)~~	~~$21.00~~	~~$35.00~~
~~Secondary Voltage (above 7 kW)~~	~~$52.50~~	~~$60.00~~
~~Primary Voltage:~~	~~$105.00~~	~~$120.00~~

(c) Stand-alone Energy Storage Systems that reach Step 3 in the SGIP process before December 31, 2030 will be exempt from Buyback Contract Demand Charges for a period of 15 years beginning on the project's in-service date.

~~A Customer who is interconnected at the subtransmission or transmission voltage level shall pay the full cost of metering devices and any other Local Facilities as part of the Interconnection Charge in (4) below and will not pay a monthly Service Charge.~~

Otherwise Applicable Service Classification	Customer Charge (per month)	Buyback Contract Demand Charge (per kW/month)
SC1	n/a	$0.26
SC2	n/a	$0.26
SC2L	n/a	$0.19
SC2 MRP Secondary	n/a	$0.11
SC2 MRP Primary	n/a	$0.06
SC2 MRP Transmission	n/a	$0.05

(d) If a Customer has as-used energy or as-used demand charges, the Customer will pay those charges under their otherwise applicable rate class as described in O.10.a.1.

VIII. SERVICE CLASSIFICATIONS (continued):

O. SERVICE CLASSIFICATION NO. 11 - Buyb~~-B~~ack Service (continued):
(Rate Code: 289)
Rates and Charges (continued):

(2) Determination of Buyback Contract Demand

The Buyback Contract Demand shall be determined by the amount of load delivered to the Authority system in excess of the Contract Demand billed under SC-12, or the Buyback Contract Demand in excess of the demand billed under another service classification. This will initially be set based on the load specified in the customer's request for service application (expressed in kW), unless and until a higher maximum demand is created by the customer, in which case such higher maximum demand shall become the Buyback Contract Demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions. However, if a customer requests a reduction in the Buyback Contract Demand and the Authority does not reject the request, the demand history prior to the reduction will not be considered in determining the Buyback Contract Demand for subsequent months.

The customer may not request or receive a reduction in the Buyback Contract Demand more than one time in a 365-day period or 365 days from any increase in the Buyback Contract Demand. In the event a customer's Buyback Contract Demand is set by a customer's load letter or a customer's request to reduce its Buyback Contract Demand and thereafter the recorded maximum demand at any time exceeds the customer's Buyback Contract demand by: (i) 20% or greater, a penalty equal to the product of 24 times the Buyback Contract Demand rate times the demand in excess of the Buyback Contract Demand shall apply; (ii) 10% or greater but less than 20%, then a penalty equal to the product of 18 times the Buyback Contract Demand Rate and the demand in excess of the Buyback Contract Demand shall apply; and (iii) less than 10%, then a penalty equal to the product of 12 times the Buyback Contract Demand rate and the demand in excess of the Buyback Contract Demand shall apply.

~~Contract-Demand Charge per kWh per Meter per Month~~

~~Contract-Demand Charge per kW of Contract Capacity per Meter per Month, applies only to Customers served under this Service Classification at the distribution voltage level. This Charge recovers distribution capacity costs not paid for elsewhere.~~

	~~Secondary Voltage~~	~~Primary Voltage~~
~~Per kW of Contract Capacity~~	~~$2.54~~	~~$2.13~~

~~(a) The Contract Capacity starts with the number of kilowatts specified in the Customer's application for service under this Service Classification. Then, the Capacity will be increased, if applicable, to the highest average kilowatts measured in a 15-minute interval during any month, rounded to the nearest one-tenth (1/10) kilowatt.~~

~~(b) If the Customer is served only under this Service Classification, the Contract-Demand Charge applies to the entire Contract Capacity.~~

~~(c) If the Customer is also served under another Service Classification, there will only be a Contract-Demand Charge for each kW of the contract capacity provided under this Service Classification that is greater than the maximum demand taken under the other Service Classification, during the same month.~~

~~(d) If the other Service Classification in c. above does not require demand meters, the Authority will estimate the maximum annual demand used under that Service Classification at the time of application for this Service Classification, based on available load information.~~

~~(e) Surcharge For Exceeding the Contract Capacity~~

~~(1) If the monthly capacity supplied is greater than the Contract Capacity by 10 percent (10%) or less, the Authority will apply a surcharge equal to twelve (12) times the difference in monthly Rate II Contract-Demand Charges to that month's bill.~~

~~(2) If the monthly capacity supplied is greater than the Contract Capacity by more than 10 percent (10%) the Authority will apply a surcharge equal to twenty-four (24) times the difference in monthly Rate II Contract-Demand Charges to that month's bill.~~

~~(3) In both *i* and *ii* above, the Authority will increase the Contract Capacity to the highest average kilowatts measured in a 15-minute interval during any month, rounded to the nearest one-tenth (1/10) kilowatt~~

~~.~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service:**~~
~~**(Rate Codes: 680, 681)**~~

[CANCELLED]

~~1. Who Is Eligible~~

~~All Customers whose electric needs are not entirely supplied by the Authority and who apply in writing. The non-Authority supply may be:~~

~~a) Connected with the Authority's service for parallel operation, or~~

~~b) Isolated from the Authority's service by a double throw switch, or~~

~~c) When allowed, supplied from a remote location. Allowed circumstances include Remote Net Metering and Recharge NY service as provided for in this Tariff.~~

~~2. Types of Service~~

~~a) Back-Up Service provides the electricity the Customer normally gets from a non-Authority supply, when there is an unscheduled interruption of that supply.~~

~~b) Maintenance Service provides electricity during a scheduled interruption of the Customer's supply, to allow the Customer or the Authority to do maintenance work on its equipment.~~

~~c) Supplemental Service provides the electricity the Customer needs that is in addition to the electricity normally provided from the non-Authority supply.~~

~~3. Customer Options:~~

~~a) The non-Authority supply may be isolated from the Authority's service or connected for parallel operation with the Authority's Back-Up and Supplemental Service, but~~

~~b) Connection for parallel operation is required to receive Supplemental Service.~~

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~

[CANCELLED]

~~4. Character of Service~~

~~a) 60 hertz, single or three-phase alternating current.~~

~~b) Service is metered at one standard delivery voltage, and the Authority will determine the site-specific characteristics and make the necessary adjustments to maintain that delivery voltage.~~

~~5. Rates and Charges for Backup and Supplemental Service~~

~~a) Customers requiring Supplemental Service will pay the rates and charges under another suitable Service Classification. In this case, the Customer will comply with the terms of this Service Classification including the interconnection provision, that are in addition to, and do not conflict with the requirements of the suitable Service Classification.~~

~~(1) Customers that receive their non-Authority supply from the New York Power Authority (NYPA) under the Recharge NY program will be designated as Rate Code 680.~~

~~(2) Customers that are a Qualifying Facility under Part 292 of Title 18 of the Code of Federal Regulations, and choose to pay the rates under this Service Classification will be designated as Rate Code 681.~~

~~(3) Customers that are eligible for net metering pursuant to § 66 – j or § 66 – l of the Public Service Law will be designated with the rate code associated with that suitable Service Classification.~~

~~(4) Any Back-up Service provided in conjunction with Supplemental Service will be included with the usage and demand billed at the specified rates for Supplemental Service.~~

~~b) Service Charge per Installation per Month (Rate Code 681)~~

~~(1) The Service Charge applies to all Back-Up Service except when this service is combined with Supplemental Service.~~

	~~Back-Up and Supplemental Service~~
~~Secondary Voltage (7 KW and less):~~	~~$ 50.86~~
~~Secondary Voltage (Above 7 KW):~~	~~$ 92.46~~
~~Primary Voltage:~~	~~$ 152.59~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service (continued):**~~

~~**(Rate Codes: 680, 681)**~~

~~**Rates and Charges for Backup and Supplemental Service (continued):**~~

[CANCELLED]

~~(2) Customers taking service at the transmission voltage level shall pay the full cost of metering devices and any other Local Facilities as part of the Interconnection Charge (see 6. and 7. below) and will not pay a monthly Service Charge.~~

~~c) Demand Charges for Distribution recover the costs of distribution facilities not paid for by the Customer as a lump sum payment or in the Service Charge.~~

~~Contract Demand Charge per KW per Month (Rate Code 681)~~

~~The Contract Demand Charge is paid monthly for capacity contracted for by Back-Up and Supplemental Service Customers taking service at the primary and secondary distribution levels, as described in Special Provision 11.*e.* below.~~

	~~Back-Up and Supplemental Service~~
~~Secondary:~~	~~$ 3.85~~
~~Primary:~~	~~$ 3.22~~

~~As-Used Demand Charge per KW per Month (Rate Code 681)~~

~~The As-Used Demand Charge is paid in addition to the Contract Demand Charge by Back-Up and Supplemental Service Customers taking service at the primary and secondary distribution levels for demand used during an interruption of the non-Authority supply. The demand billed shall be the highest demand during the month, but not less than one hundred percent (100%) of the highest demand in the last eleven (11) months.~~

	~~Back-Up and Supplemental Service~~
~~Secondary:~~	~~$ 3.85~~
~~Primary:~~	~~$ 3.22~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~
~~**Rates and Charges for Backup and Supplemental Service (continued):**~~

[CANCELLED]

~~d) Energy Charges per kWh (Rate Code 681)~~

~~Energy Charges per kWh for both Back-Up and Supplemental Service~~

	~~Rate Periods*~~		
	~~1~~	~~2~~	~~3~~
	~~Midnight to 7 a.m. all year~~	~~June - Sept., except Sunday, 10 a.m. to 10 p.m.~~	~~All remaining hours~~
~~Secondary~~	~~$ 0.0023~~	~~$ 0.2819~~	~~$ 0.0405~~
~~Primary:~~	~~$ 0.0011~~	~~$ 0.2724~~	~~$ 0.0377~~
~~Transmission~~	~~$ 0.0001~~	~~$ 0.2604~~	~~$ 0.0332~~

~~* See Paragraph IV.A.10, "Daylight Savings Time", on Leaf No. 99.~~

~~e) Reactive Power Charge~~

~~Net Reactive Demand Charge per kvar = $.27 for primary and transmission voltage services only, and applies from 7 a.m. through 11 p.m.~~

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service:
(Rate Codes: 179, 680, 682)

1. Who Is Eligible

This Service Classification (SC-12) is applicable to Customers meeting the requirements of (a) through (d) below ("Standby Service Customers") and Customers meeting the requirements of (e) through (f) below ("Optional Rate Customers"):

Standby Service

a) Customers who have generation installed on their site, whether the generation equipment is owned by the customer or a third party; or

b) Customers who are directly interconnected with a Generator, as defined as a company whose primary business is the production of electricity;

c) Generators who require service from the Authority when their own electric generating equipment is not sufficient to meet their own load; or

d) Customers with on-site generation compensated under Value Stack, that meet the requirements for compensation, and that are not otherwise exempt in accordance with Section P.4 of this SC-12.

Optional Rate Service

e) Customers that opt into SC-12, who do not otherwise meet the requirements of Standby Service ("Optional Rate Customers"). Any customer may opt into SC-12 with the exception of SC-5, SC-7, SC-10, SC-13 customers, unmetered customers and non-AMI metered customers.

f) Customers on ReCharge NY service will be assigned to Rate 680 and cannot opt-in to Standby Rates.

g) More specifically, Standby Service shall apply to:

(1) Customers with on-site generation serving load that is not isolated from the grid;

(2) Generators that rely on the Authority to serve electric loads that would otherwise be served by the generator such as station power used for the heating, lighting, air-conditioning, and office equipment needs of the buildings housing the generator and associated support facilities located on a generating facility's site, and/or to facilitate the re-starting of the generator following an outage. Standby rates will also apply to Generators that take station power through the same bus bar as they supply the grid.

h) For Standby Service Customers, the Parent Service Classification shall be defined based upon the applicable Contract Demand at the delivery point (as initially calculated by the Authority).

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Who Is Eligible (continued)

i) Same Bus Bar
"Same Bus Bar" is defined as a common electrical point of interconnection on the same physical bus bar structure located at one substation of the utility and an individual customer's system at the single voltage level at which the customer takes service. This common point of interconnection may include up to one load serving connection, or tap, (such tap is in addition to the single point of delivery service from the generating customer to the Authority's delivery system being metered), from a single physical bus bar (one tap must be connecting the customer's generation output to the bus and a second tap must be connecting the customer's electric service to the bus) located at an Authority substation. The customer's generation must be on a single unitary tract of land; adjoining and abutting the land upon which the Authority substation is located and the points of delivery and receipt must not be more than 500' apart. The presence of Authority equipment, including but not limited to switches, fuses, transformers, and circuit breakers, between the point(s) of delivery is not considered Same Bus Bar.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Who Is Eligible (continued)

2. Definitions

Standby Rates will be optional for Full Requirements Customers receiving service under the following Service Classifications. The terms and conditions of the Parent Service Classifications apply unless modified in Service Classification 12.

a) **SERVICE CLASSIFICATION NO. 1 – Residential Service:**
   (1) Service Classification No. 1 (Rate Codes: 180, 194, 195, 580)
   (2) Service Classification No. 1-VTOU (Rate Codes: 190, 191, 192, 193)

b) **SERVICE CLASSIFICATION NO. 2- General Service - Small:**
   (1) Service Classification No. 2 (Rate Code: 280)
   (2) Service Classification No. 2-VMRP (Rate Code: 292)

c) **SERVICE CLASSIFICATION NO. 2-L – General Service - Large:**
   (1) Service Classification No. 2-L (Rate Codes: 281, 283, 291)
   (2) Service Classification No. 2L-VMRP (Rate Codes: 294)

d) **SERVICE CLASSIFICATION NO. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods:**
   (1) Service Classification No. 2-MRP (Rate Codes: 284, 285, M284, M285) – Secondary Voltage
   (2) Service Classification No. 2-MRP (Rate Codes: 284, 285, M284, M285) – Primary Voltage
   (3) Service Classification No. 2-MRP (Rate Codes: 284, 285, M284, M285) – Transmission Voltage

3. Character of Service

a) Continuous, 60 hertz, alternating current.
b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, three phase; network system 120/208 or 277/480, depending on the size and characteristics of the load and the circuit supplying the service.
c) Radial primary service at approximately 2400/4160, 7620/13200 volts depending on the size and characteristics of the load and the circuit supplying the service.
d) Radial transmission service at approximately 24,000 volts or higher depending on the size and characteristics of the load and the circuit supplying the service.
e) The Primary Rate will apply to Radial primary service. The Transmission Rate will apply to Radial transmission service.
f) For Optional Standby Customers, service must comply with parent Service Classification based on the otherwise applicable Rate Code.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 680, 682)

4. Exemptions From SC-12

The following customers shall not be subject to SC-12, but shall be served under the customer's otherwise applicable service classification unless Customers make a one-time irrevocable election to join the Standby Rate or the in progress Phase-In period of Standby Rates, identified in SC-12.14.g if still applicable. Customers that qualify for the Environmentally Advantageous Technologies ("EAT") Exemption and that request a one-time irrevocable election to join Standby Rates or the in progress Phase-In period for Standby Rates if still applicable, will make the request by providing thirty (30) days written notice to the Authority before commencing operation of the OSG.

a) Small Generators
Customers with a nameplate aggregate generator(s) 5 kVA or smaller that may run in parallel with the LIPA system.

b) Customers with On-Site Generators ("OSG") Less than or Equal to 15% of Maximum Potential Demand as identified in SC-12.14.e.

c) Environmentally Advantageous Technologies ("EAT") Exemptions
Customers who install OSG that are:

(1) Solar thermal;
(2) Solar photovoltaic;
(3) Onshore and offshore wind;
(4) Hydroelectric;
(5) Geothermal electric;
(6) Geothermal ground source heat;
(7) Tidal energy;
(8) Wave energy;
(9) Ocean thermal;
(10) Hybrid Solar and Battery Facilities
(11) Fuel cells which do not utilize a fossil fuel resource in the process of generating electricity. Fuel cells are permitted to utilize biomass, biogas, or hydrogen, provided that the manufacture or production of such fuels does not include the combustion or electrolysis of fossil fuels or non-renewable grid power in the conversion process.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Exemptions from SC-12 (continued)

(12) Small, efficient types of combined heat and power ("CHP") generation that do not exceed 1 MW of capacity and meet the following criteria:

(i) Annual overall thermal and electrical energy efficiency should not be less than 60% based on the higher heating value ("HHV") of the fuel input;

(ii) The usable thermal energy component should absorb a minimum of 20% of the CHP facility's total usable annual energy output;

(iii) The OSG capacity shall be determined by aggregating the nameplate ratings of the generation units, installed at its location, excluding emergency generation units used only during a utility distribution system failure or in response to the NYISO Emergency Demand Response Program; and

(iv) An eligible CHP facility shall demonstrate to the Authority that its generation installation meets an environmental standard of no more than 1.4 lbs./MWh of NOx emissions based on its electrical and mechanical output or its rated capacity. Units that have completed a Coordinated Electric System Interconnection Review ("CESIR") by April 1, 2018 will be subject to the previously applicable standard of no more than 4.4 lbs./MWh of NOx emissions.

(v) The CHP facility must be placed in service before May 31, 2021.

(vi) Customers shall comply with the above criteria and in addition:

1. Monitor and record efficiency data, which shall include the annual quantity of fuel fired, the annual quantity of generated electricity, and the annual quantity of the thermal heat recovered in the heat recovery process;
2. Have records available for Authority inspection; and
3. Retain the records for a 3-year period.

(13) Energy Storage technologies with inverter capability of up to 1 MW. However, customers who install energy storage systems to help manage the demand of EV charging load, with said energy storage systems having inverter capability greater than 1 MW and less than or equal to the sum of nameplate EV charging capability, are also exempt provided that such installations meet all other applicable interconnection and standby service requirements.

Customers qualifying for the EAT Exemption shall comply with all of the following requirements:

(i) The OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Authority.

(ii) The customer executes, and the Authority accepts, an Application for Electric Standby Service as required under the special provisions of the applicable Service Classification for all generators on the premises. The customer shall state its intended use of the OSG facilities on the Application for Electric Standby Service in the blank spaces provided for special conditions.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Exemptions from SC-12 (continued)

In the event the customer fails to comply with provisions (i) through (ii) above, the Authority shall have the following rights: To bill the customer Standby Service rates for those amounts of total Electric Service which the Authority reasonably estimated were received by the customer during times when Electric Service from the Authority was available to the customer.

c) Emergency Generators

Customers who install or have installed an emergency power system may be exempted from the requirement of service under this SC-12 if the OSG meet the following requirements:

(1) The Emergency OSG is not capable of being operated in parallel with the Authority's system other than for closed-transition transfer switching where the term "closed-transition transfer" is characterized as a momentary make-before-break switching sequence;
(2) The Emergency OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Authority;
(3) The Emergency OSG is used exclusively for purposes of emergency power system;

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Exemptions from SC-12 (continued):
Emergency Generators (continued):

(4) No load may be served by Emergency OSG while Electric Service is being provided by the Authority to the premises except:
  (i) For the periods of time as required by statute or regulation, and
  (ii) In the absence of a statutory or regulatory requirement, such times so as to adequately test such systems, not to exceed 10 hours per month or as otherwise agreed to by the Authority; and
  (iii) For periods of time called by the NYISO for Emergency Demand Response (EDR) or ICAP (UCAP).

(5) The customer shall maintain an operating log for each Emergency OSG indicating the date, time, hours, and purpose of each operation of each such facility. This log shall be made available to the Authority upon request. If the customer fails to maintain this log or to provide it to the Authority on request, the Authority shall have the following rights:
  (i) To bill the customer for those amounts of Electric Service which the Authority reasonably estimated were inappropriately supplied by the customer's generator during times when Electric Service from the Authority was available to the customer; and
  (ii) In all cases, the customer shall remain obligated to execute and have the Authority accept a Standby Service Application as applicable under the special provisions of the applicable service classification for all Emergency Generators on the premises. The customer shall state its intended use of the OSG facilities on the Standby Service Application in the blank spaces provided for special conditions.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

5. Application for Service

Standby Service:

Customers with on-site generation that will run in parallel with the LIPA system must apply for service by providing the Authority with an executed Standby Service Application and SGIP, both of which are available on the Authority's website or from an Authority representative.

Customers operating an OSG unit less than 10 MW and connected for parallel operation with the service of the Authority may apply for service using the SGIP, also available from Authority representatives. Customers in excess of 10 MW, that also have an OSG, must execute an Interconnection Agreement with the Authority.

Optional Rate Service:

Eligible customers must apply for service with the Authority.

6. Billing Parameters

Customers served under this service classification shall be billed according to the following parameters:

Customer Service Charge: a charge for customer related services.

Contract Demand Charge: a reservation charge for the use of the Authority's local distribution system.

As Used Peak Daily Demand Charge: a daily usage demand charge for the maximum use of the Authority's delivery system during on-peak hours (as defined in the Determination of Contract Demand section of SC12).

As Used Off-peak Daily Demand Charge: a daily usage demand charge for the maximum use of the Authority's delivery system during peak hours (as defined in the Determination of Contract Demand section of SC12).

Power Supply Charge: a charge for the electricity supply service (Commodity) provided to the customer.

Surcharges and Adjustments: a set of itemized charges for specific adjustments as provided under the otherwise applicable service classification.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

7. Rates and Charges

Customers that receive their non-Authority supply from the New York Power Authority (NYPA) under the ReCharge NY program will be designated as Rate Code 680. Customers on ReCharge NY program will pay the rates and charges under another suitable Service Classification. In this case, the Customer will comply with the terms of this Service Classification including the interconnection provision, that are in addition to, and do not conflict with the requirements of the suitable Service Classification.

Applicable Rates and Charges: Standby Service Customers and Optional Rate Service Customers will be subject to the following SC 12 rates in accordance with their Parent Service Classification if a Standby Service Customer and their otherwise applicable service classification if an Optional Rate Service Customer.

a) Rate Code B1179: Parent Service Classification No. 1 – Residential Service

MONTHLY RATE:

Service Charge Per Day:	$0.56
Contract Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.26
As Used Off-Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.95
As Used Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$1.57

SC-12 customers billed under Parent Service Classification No. SC-1 rates shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 60-minute integrated metered demand, which shall be determined as the sum of the four 15-minute demands in an hour.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Rates and Charges (continued)

b) Rate Code B1682: Parent Service Classification No. 2- General Service - Small

MONTHLY RATE:
Service Charge Per Day: $0.56

Contract Demand Charges, per kW:
Delivery for SC-12 Customers $0.26

As Used Off-Peak Daily Demand Charges, per kW:
Delivery for SC-12 Customers $1.26

As Used Peak Daily Demand Charges, per kW:
Delivery for SC-12 Customers $2.14

Rate Code P1682: Phase-In Charges for Parent SC-2 Small

Delivery Charges will be calculated as identified in SC-12.14.g. Customer who elect to receive Phase-In Charges will do so based on the current delivery rates under Parent Service Class Rate 280.

SC-12 customers billed under Parent Service Classification SC-2 Small rates shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 60-minute integrated metered demand, which shall be determined as the sum of the four 15-minute demands in an hour.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Rates and Charges (continued)

c) Rate Code B2682: Parent Service Classification No. 2-L – General Service - Large

MONTHLY RATE:	
Service Charge Per Day:	$2.92
Contract Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.19
As Used Off-Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.81
As Used Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$1.20

Rate Code P2682: Phase-In Charges for Parent SC 2-L

Delivery Charges will be calculated as identified in SC-12.14.g. Customer who elect to receive Phase-In Charges will do so based on the current delivery rates under Parent Service Class Rate 281.

SC-12 customers billed under Parent Service Classification No. SC 2-L rates shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 15-minute integrated metered demand.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Rates and Charges (continued)

d) **Rate Code B3682/B4682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Secondary and Primary)**

MONTHLY RATES: Delivery Voltage	(B3682) Secondary	(B3682) Primary
Service Charge Per Day:	$3.83	$5.20
Contract Demand Charges, per kW: Delivery for SC-12 Customers	$0.11	$0.06
As Used Off-Peak Daily Demand Charges, per kW: Delivery for SC-12 Customers	$0.95	$0.83
As Used Peak Daily Demand Charges, per kW: Delivery for SC-12 Customers	$1.30	$1.21

Rate Code P3682/P4682: Phase-In Charges for Parent SC 2-MRP (Secondary & Primary)

Delivery Charges will be calculated as identified in SC-12.14.g. Customer who elect to receive Phase-In Charges will do so based on the current delivery rates under Parent Service Class Rate 285 Secondary or Rate 285 Primary depending on voltage level they are interconnected.

SC-12 customers billed under Parent Service Classification No. SC 2-MRP rates shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 15-minute integrated metered demand.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Rates and Charges (continued)

e) **Rate Code B5682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Transmission)**

MONTHLY RATES:

Delivery Voltage	Transmission
Service Charge Per Day:	$5.20
Contract Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.05
As Used Off-Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$0.69
As Used Peak Daily Demand Charges, per kW:	
Delivery for SC-12 Customers	$1.17

Rate Code P5682: Phase-In Charges for Parent SC 2-MRP (Transmission)

Delivery Charges will be calculated as identified in SC-12.14.g. Customer who elect to receive Phase-In Charges will do so based on the current delivery rates under Parent Service Class Rate 285 Transmission.

e) **Rate Code P6682: Phase-In Charges for Customers Previously on Closed Rate 681 (Transmission)**

Delivery Charges will be calculated as identified in SC-12.14.g. Customers who elect to receive Phase-In Charges will do so based on the current delivery rates under Parent Service Class Rate 285 Transmission but will have zero demand charges and energy charges identified for Previously Closed Rate 681 as updated on a pro-rata percentage basis with Rate 285 Transmission.

	Previously Closed Rate 681 Periods*		
	1 Midnight to 7 a.m. all year	2 June - Sept., except Sunday, 10 a.m. to 10 p.m.	3 All remaining hours
Transmission	$ 0.0001	$ 0.2850	$ 0.0364

SC-12 customers billed under Parent Service Classification No. SC 2-MRP (Transmission) rates shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 15-minute integrated metered demand.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

8. Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the Merchant Function Charge, the New York State Assessment Factor, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer that qualifies for Rate 285-Primary or Rate 285-Transmission will not be billed the Power Supply Charge. Such customers will be billed Hourly Market Power Supply charges based on the NYISO Day ahead market: Average Monthly Energy Component (based on published day ahead NYISO Hourly Zone K LBMP energy prices); plus

Capacity Charges based on customer's individually assigned capacity tag (kW) times the NYISO Zone K Monthly Capacity Market Price; plus

The monthly local power supply charge.

9. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

10. Term of Service

a) The Authority will provide service to the Customer for at least one (1) year and until the service is terminated by the Customer or the Authority.

b) The Customer shall give the Authority thirty (30) days written notice when requesting termination of service.

c) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff, after giving the Customer thirty (30) days written notice.

d) The Authority may require the Customer to take service at rates effective for a longer term because of the investment required or other unusual conditions related to the service.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

11 Determination of Contract Demand

a) Contract Demand for Standby Service Customers

Contract Demand shall initially be set at the maximum anticipated demand of the customer including any load that is not isolated referenced in the Standby Service Application and determined as the greater of the following and the Authority shall inform the customer of the resultant contract demand ten (10) days prior to the next billing cycle:

(1) the maximum demand from the Authority's system over the previous 12-months, or
(2) the customer's maximum load supplied by all sources including the OSG and Authority's supply system over the previous 12-months.

In the case of a new customer (i.e., a customer for whom historical consumption data does not exist), the Contract Demand shall be the maximum anticipated demand of load consumed as prescribed in the customer's load letter.

The Contract Demand shall automatically be increased to the highest measured demand in any billing period during the term hereunder.

The Contract Demand of a Generator who is connected to a customer which would otherwise be served directly by the Authority shall be set at the maximum potential demand of the station power of the Generator when the generator is out of service plus the maximum potential demand of the customer.

The Contract Demand may be increased based upon a written notice by the customer to the Authority at any time.

The Contract Demand as determined above may be reduced based upon a written request by the customer to the Authority. Contract Demand requests may be made no more than one time in a 365-day period and/or 365 days from any increase or ratchet in Contract Demand. In the event the customer's Contract Demand request is accepted by the Authority and the Contract Demand is reduced; if thereafter the recorded maximum demand at any time exceeds the customer's requested Contract Demand: (i) by 20% or greater than a penalty equal to the product of 24 times the Contract Demand rate times the demand in excess of the Contract Demand shall apply, (ii) by 10% or greater, but less than 20%, then a penalty equal to the product of 18 times the Contract Demand rate times the demand in excess of the Contract Demand shall apply, (iii) by less than 10% then a penalty equal to the product of 12 times the Contract Demand rate times the demand in excess of the Contract Demand shall apply.

Seasonal or other temporary fluctuations in load of the customer's existing facilities such as heating and air conditioning, and temporary reductions in manufacturing shall not qualify for reductions in the Contract Demand.

The effective date of the revised Contract Demand shall be the next billing cycle following the Authority's receipt of the customer's written notice provided such notice is received 10 business days prior to the first day of the next billing cycle.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Determination of Contract Demand (continued)

b) Contract Demand for Optional Rate Customers

Contract Demand will be established initially as the customer's maximum measured demand during the first billing period. Thereafter, the Contract Demand shall automatically be increased to the highest measured demand in any billing period during the term hereunder. In the event the customer has installed energy efficient equipment or has altered the operation of their service such that the maximum potential demand at the premise is less than the Contract Demand, the customer may request a reconsideration of the Contract Demand by the Authority. Any reduction of the Contract Demand will be at the Authority's discretion.

c) As Used Off-Peak Daily Demand

The As-Used Off-peak Daily Demand shall be the aggregate of the highest daily 15-minute integrated demand (measured in kW) occurring during the off-peak hours of each day during the billing period, except for customers of parent service classification is SC-1 or SC-2 Small non-demand it shall be the aggregate of the highest 60-minute integrated demand (measured in kW) during the off-peak hours of each day during the billing period.

Off-Peak hours are defined as follows: During the months of October through May, for the hours between 8:00am and 10:00pm, daily. During the months of June through September, for the hours between 8:00 am and 3:00 pm and 7:00 pm through 10:00 pm, Mondays through Fridays, and 8:00 am through 10:00 pm, Saturdays, Sundays and Federal Holidays.

d) As Used Peak Daily Demand

The As-Used Peak Daily Demand shall be the aggregate of the highest daily 15-minute integrated demand (measured in kW) occurring during the peak hours of each day during the billing period, except for customers of parent service classification is SC-1 or SC-2 Small non-demand it shall be the aggregate of the highest 60-minute integrated demand (measured in kW) during the peak hours of each day during the billing period.

Peak hours are defined as follows: During the months of June through September, for the hours between 3:00pm and 7:00pm, Mondays through Fridays, excluding Federal Holidays.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

12. Interconnection Requirements

    a) The Authority may disconnect a Customer from the system if the Customer operates a generator in parallel with the Authority's system without an Interconnection Agreement ("IA") with the Authority.

    b) The Customer must sign an IA within ninety (90) days of written notice, including a draft IA, from the Authority, unless

    c) The Customer has filed a complaint following the Consumer Complaint Procedures in Section VI of the Tariff. In this case, the Customer will not be disconnected until the complaint is resolved, unless the parallel generation creates a hazardous condition or threatens the integrity of the system.

    d) The facility may be connected for parallel operation with the service of the Authority, or isolated for operation with Standby Service provided by a Wholesale Generator by means of a double throw transfer switch or transfer switching scheme acceptable to the Authority.

    e) Customers with an OSG and connected for parallel operation with the service of the Authority are required to execute an IA with the Authority. Customers having an OSG in aggregate with other OSGs of less than 10 MW are eligible to apply the service using the SGIP. Customers without an OSG are not required to execute an IA with the Authority. All other customers must execute an Interconnection Agreement, available from Authority representatives.

13. Metering and Communications

    Interval Metering

    Standby Service Customers and Optional Rate Customers must have interval metering (AMI or MV90) and may not opt out of AMI interval meters.

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VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)

14. Special Provisions

a) Contract Demands Larger than 1000kW

All Standby Service Customers with Contract Demands greater than 1000 kW applying for Service under this Service Classification are required to provide the Authority with an annual schedule of OSG maintenance by October of the preceding year for each subsequent year. This schedule will be provided at the time of subscription to this Service Classification and will be utilized for planning functions. Schedules must include starting and ending times for all planned outages. Customers will be allowed to update their schedules one month prior to their effective dates. After this time has passed, no modifications will be allowed to the schedules, unless Authority approval is granted. This provision does not take precedence with respect to any OSG maintenance provision in a power purchase agreement which may be in place with the Authority.

b) Compliance with Reliability Criteria

Standby Service Customers agree to comply with any existing or future criteria, guidelines, and procedures established by the North American Electric Reliability Council (or its successor) to ensure the continued reliability of North America's interconnected secured transmission electric systems.

c) Electrically Isolated Loads

(1) The Customer’s non-Authority supply may be isolated from the Authority’s service by a double throw switch, or

(2) Connected with the Authority’s service for parallel operation. In this case, the Authority will provide suitable metering and charge the Customer for any additional metering costs.

(3) The Customer may choose to have the Authority use its estimating procedure to determine the separation of energy and demand between the Standby Service.

(4) A Customer which is a Qualifying Facility under Part 292 of Title 18 of the Code of Federal Regulations or eligible for Net Metering under PSL 66-j or 66-l may choose, once in every 12-month period, to make its purchases of energy and demand for Standby Service at rates either:
(i) Under this Service Classification, or
(ii) Under a suitable firm Service Classification. In this case, the Customer will comply with the terms of this Service Classification, including the Interconnection Charge provision, that are in addition to and do not conflict with the requirements of the suitable firm Service Classification.

(5) Submetering may be available under certain conditions, as specified in this Tariff.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Special Provisions (continued)

d) Penalties for Reconnecting Isolated Loads without Notice

Notwithstanding any other provision of this Tariff, in the event that the customer connects on-site generation to its electric system without: (1) notifying the Authority; and (2) executing the Application for Electric Standby Service, and in the event that the Authority thereafter discovers that fact, the Authority shall backbill the customer for all service rendered subsequent to the estimated installation of such on-site generation.

In preparing such backbill, the Authority shall assess a Contract Demand Penalty Provision equal to 2 times that which would otherwise be computed under Determination of Demand Provision of SC-12 and assume the Contract Demand had been set at 0 kW. If the customer fails to pay the undisputed portion of any such backbill within the time for payment of bills established in SC-12, the Authority shall be authorized to exercise all of its rights in cases involving theft of service under this Tariff.

e) Billing for Customers with OSGs Less than or Equal to 15% of Maximum Potential Demand

Standby Service Customers that install an OSG with a total nameplate rating that is 15% or less of their maximum potential demand over the previous 12 months shall be subject to the delivery charges of their otherwise applicable service classification and shall not be subject to Standby Rates.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Special Provisions (continued)

f) Billing for Customers with Excelsior Jobs Program ("EJP") Load Not Separately Metered

(1) Only customers billed at commercial rates are eligible to participate in the EJP program.
(2) Special Provision E of SC-12 shall not apply to customers with EJP load.
(3) The customer's EJP demand and energy available for the EJP discount in each billing period shall be determined in accordance with Section VII.E.5.e for EJP. Customer shall be subject to all rates and charges applicable to the Excelsior Jobs Program as provided in Section VII.E.5.
(4) Customer shall be subject to all charges provided in SC-12. The billing determinants for customers with EJP qualifying load shall be determined as provided herein.
   (i) Contract Demand: The Contract Demand shall initially be set by the Authority as the maximum value of the Customer's monthly base year contract load in kilowatts specified in the signed EJP contract between the Authority and the Customer. The Contract Demand will be automatically increased to the maximum kilowatt demand in a billing period when the maximum kilowatt demand in the billing period exceeds the Contract Demand in that billing period. The maximum kilowatt demand in a billing period shall be calculated by subtracting the EJP incremental demand available for the EJP discount as determined for EJP from the metered billing demand (i.e., customer's load net of generation) on an interval-by-interval basis. The demand shall not be less than zero (0) in any interval. The customer may elect to increase or reduce the Standby Contract Demand thereafter in accordance with the Determination of Contract Demand provisions of SC-12.
   (ii) As-Used Daily Demand: The As-Used Daily Demand shall be the As-Used Daily Demand as specified in Determination of As-Used Daily Demand provisions of this SC for both As-Used On-peak Daily Demand and As Used Super-peak Daily Demand, less the product of the demand eligible for the EJP discount in the billing period and the number of on-peak or off-peak days in the billing period, as applicable.
   (iii) Billing Energy: Billing Energy in kilowatt-hours for the purposes of applying the Electricity Supply Service and Surcharges and Adjustments provisions of SC-12 shall be calculated by subtracting the EJP incremental energy available for the EJP discounts from the metered billing energy (i.e., customer's load net of generation) on an interval-by-interval basis. The Billing Energy shall not be less than zero (0) in any interval.

VIII.SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
Standby Service and Optional Rate Service (continued):
(Rate Codes: 179, 680, 682)
Special Provisions (continued)

g) SC-12 Phase-In Customers

Existing customers prior to December 1, 2026 may elect to be billed the SC-12 Phase-In Standby Rate delivery charges beginning January 1, 2026 (“Phase-In Customers”). Phase-In Customers may opt out of the Phase-In delivery charges at any time and be billed SC-12 Standby Rate delivery charges by providing written notice to the Authority, with such transition to SC-12 Standby Rate delivery charges occurring in the next billing period thirty days after notice is provided. Once a customer opts out of the SC-12 Phase-In Standby Rate delivery charges, they may not return to as a Phase-In-Customer. So long as the Phase-In is still in effect, the EAT exempt Customers may choose waive their EAT exemption and join the Phase-In Standby Rate already in progress.

The Phase-In period will be a fixed (i.e. will not vary by customer) time period that will begin January 1, 2026 (Phase-In Year 1) until December 31, 2030, when the Phase-In Period will end for all customers. A Phase-In Year is defined as January 1st until December 31st.

Delivery Rates for a Phase-In Year will be calculated as the delta to a Customer’s Parent Service Classification rate vs their applicable Standby Rate with the following formulas:

Phase-In Year 1 (2026): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue –Parent Service Class Delivery Rate Revenue)/6

Phase-In Year 2 (2027): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue –Parent Service Class Delivery Rate Revenue)*2/6

Phase-In Year 3 (2028): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue –Parent Service Class Delivery Rate Revenue)*3/6

Phase-In Year 4 (2029): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue –Parent Service Class Delivery Rate Revenue)*4/6

Phase-In Year 5 (2030): Parent Service Class Delivery Rate Revenue + (Standby Delivery Rate Revenue –Parent Service Class Delivery Rate Revenue)*5/6

Delivery Rate Revenue includes Service Charge, Delivery Demand Charge and Delivery Energy Charge revenues. All rate components identified in “Adjustments to Rates and Charges” will not be subject to the Phase-In.

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~
~~**Rates and Charges for Backup and Supplemental Service (continued):**~~

CANCELLED

~~f) Adjustments to Rates and Charges~~

~~Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the Marchant Function Charge, the New York State Assessment Factor, Delivery Service Adjustment and the Securitization Offset Charge. The Revenue Decoupling Mechanism does not apply.~~

~~g) Surcharge for Exceeding the Contract Demand for Back-Up and Supplemental Service~~

~~(1) If the monthly maximum demand supplied for Back-Up and Supplemental Service is greater than the Contract Demand by 10 percent (10%) or less, the Authority will apply a surcharge equal to twelve (12) times the difference in monthly Rate II Demand Charges to that month's bill, or~~

~~(2) If the monthly capacity supplied is greater than the Contract Demand by more than 10 percent (10%), the Authority will apply a surcharge equal to twenty-four (24) times the difference in monthly Rate II Demand Charges to that month's bill, and~~

~~(3) In both 1 and 2, the Authority will increase the Contract Demand to the highest average kilowatts measured in a 15-minute interval during any month (maximum monthly demand).~~

~~6. Interconnection Charges~~

~~Interconnection Charges are for costs, not covered elsewhere, that are more than what the Authority's ordinary costs would have been to supply the Customer's electrical needs under a suitable Service Classification. The Customer shall pay the Authority the Interconnection Charges in full when the extra costs arise. The Authority will also charge an application fee of $350 which may be applied to the costs of interconnection.~~

~~a) The application fee will be returned to Customers that are participating in net metering to the extent it is not used to cover the cost of interconnection.~~

~~b) Customers that are not participating in net metering will not be entitled to the return of any portion of their application fee, even to the extent it is not used to cover the cost of interconnection.~~

~~c) The application fee will not be returned to Customers that withdraw their application or otherwise do not complete their interconnection agreement.~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
~~Back-Up and Supplemental Service (continued):~~
~~(Rate Codes: 680, 681)~~

CANCELLED

~~7. Maintenance Charges for Interconnection Equipment:~~

~~a) The Authority will maintain interconnection equipment installed on its property. A Customer with more than 5,000 kW of generating capacity will pay an annual charge of 8.1% on the total investment in the interconnection equipment.~~

~~b) If the interconnection equipment is located on the Customer's property, the Customer has the option to:~~

~~(1) Have the Authority furnish and maintain the interconnection equipment, and the Customer or its successor on the site will pay an annual Maintenance Charge of 8.1% on the total investment in the interconnection equipment, or~~

~~(2) Furnish, own, operate, and maintain all the interconnection equipment, provided that the interconnection equipment and maintenance are suitable for interconnection operations, and the equipment meets Authority specifications, and is reasonably available for the Authority's inspection.~~

~~c) Interconnection equipment installed by the Customer and in accordance with the Authority's specifications shall be maintained by the Customer at the Customer's cost.~~

~~d) Customer shall pay the Replacement Costs, less net salvage, when equipment covered in the Customer's Interconnection Charge needs to be replaced.~~

~~e) If a Customer disputes the Authority's charge for interconnection costs, it may lodge a complaint following the complaint procedures in this Tariff.~~

~~f) Additional technical information for connecting to the Authority's electrical system can be found in the Authority's Smart Grid Small Generator Interconnection Procedures.~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12
~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~

CANCELLED

~~8. How the Net Reactive Demand is Determined~~

~~a) The Net Reactive Demand is the 15-minute integrated kilovolt-amperes of lagging reactive demand minus 48% of the 15-minute integrated kilowatt demand recorded during the same 15-minute period.~~

~~b) The Customer will be billed monthly for the maximum Net Reactive Demand recorded between 7:00 a.m. through 11:00 p.m.~~

~~c) For billing purposes, the maximum Net Reactive Demand will be the greater of:~~

~~(1) The maximum Net Reactive Demand recorded for the month from 7:00 a.m. through 11:00 p.m., or~~

~~(2) 100% of the maximum Net Reactive Demand recorded from June through September, from 7:00 a.m. through 11:00 p.m., during the last eleven (11) months.~~

~~9. Terms of Payment~~

~~The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.~~

~~10. Term of Service~~

~~a) The Authority will provide service to the Customer for at least one (1) year from the start of service, unless service is terminated by thirty days written notice by either party.~~

~~b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~

CANCELLED

~~11. Special Provisions~~

~~a) Customer Service Options~~

~~(1) The Customer's non-Authority supply may be isolated from the Authority's service by a double throw switch, or~~

~~(2) Connected with the Authority's service for parallel operation. In this case, the Authority will provide suitable metering and charge the Customer for each additional meter.~~

~~(3) The Customer may choose to have the Authority use its estimating procedure to determine the separation of energy and demand between the Supplemental and Back-Up/Maintenance Services.~~

~~(4) A Customer which is a Qualifying Facility under Part 292 of Title 18 of the Code of Federal Regulations or eligible for Net Metering under PSC 66-j or 66-l may choose, once in every 12-month period, to make its purchases of energy and demand for Back-Up and Maintenance at rates either:~~

~~(a) Under this Service Classification, or~~

~~(b) Under a suitable firm Service Classification. In this case, the Customer will comply with the terms of this Service Classification, including the Interconnection Charge provision, that are in addition to and do not conflict with the requirements of the suitable firm Service Classification.~~

~~b) Submetering may be available under certain conditions, as specified in this Tariff.~~

VIII. SERVICE CLASSIFICATIONS (continued):

P. SERVICE CLASSIFICATION NO. 12

~~**Back-Up and Supplemental Service (continued):**~~
~~**(Rate Codes: 680, 681)**~~
~~**Special Provisions (continued):**~~

CANCELLED

~~c) Reactive Demand Charges~~

~~(1) Transmission and primary service Customers who use electricity at a Power Factor of less than 90 percent (90%) and choose to pay a monthly Reactive Demand Charge, shall pay for the additional metering equipment either when it is installed or through a monthly charge.~~

~~(2) For the first twelve (12) months of billing for Reactive Demand Charges, the KVAR charges will not exceed 1 percent (1%) of the Customer's total bill.~~

~~d) Contract Demands~~

~~(1) Customers taking Back-Up and Supplemental Service while operating their non-Authority supply in parallel with the Authority's supply and who choose an estimating procedure described above, shall contract for their highest Supplemental and Back-Up/ Maintenance loads (kW). These contracted amounts will be used to estimate the energy used for both Back-Up/Maintenance Service and Supplemental Service.~~

~~(2) Customers taking Back-Up/Maintenance Service at the primary and secondary voltage levels will contract for sufficient distribution capacity (kW) to meet their Back-Up/ Maintenance loads. Customers who underestimate their capacity level will be subject to a penalty as described in 6.g above.~~

~~e) Interconnection Agreement~~

~~(1) The Authority may disconnect a Customer from the system if the Customer operates a generator in parallel with the Authority's system without an Interconnection Agreement (IA) with the Authority.~~

~~(2) The Customer must sign an IA within ninety (90) days of written notice, including a draft IA, from the Authority, unless~~

~~(3) The Customer has filed a complaint following the complaint procedures in this tariff relating to the IA within the 90-day period. In this case, the Customer will not be disconnected until the complaint is resolved, unless the parallel generation creates a hazardous condition or threatens the integrity of the system.~~

I. General Information (continued):

B. Abbreviations and Definitions (continued):

Service Line or Lateral: A system of conductors and equipment for delivering electricity from the Authority's distribution system to the wiring system of a building or address.

Service Termination: The point at which the service line or lateral ends and the Customer connects with the wiring system.

Shared Meter: Any Authority meter that measures electric service provided to a tenant's dwelling and to areas outside that dwelling, and the tenant pays for all usage recorded on the meter.

Shared-Meter Customer: Any tenant who rents a dwelling with a shared meter from the owner of the dwelling, and the tenant, rather than the owner, is the Authority's Customer of record.

Short-Term or Temporary Customer - Nonresidential: (See *Customer - Short-Term or Temporary Customer*)

Short-Term or Temporary Customer - Residential: (See *Customer - Short-Term or Temporary Customer*)

Single-phase: Producing, carrying, or powered by a single alternating voltage. (See *Alternating Voltage*)

Solar Electric Generating Equipment: A photovoltaic system with a rated capacity of equal to or less than twenty-five kilowatts (25) kW for Residential Customers or with a rated capacity equal to or less than five thousand (5,000) kW for Nonresidential Customers which is manufactured, installed and operated in accordance with applicable government and industry standards, is connected to the Authority's electric system and operated in conjunction with the Authority's transmission and distribution facilities, and which is operated in compliance with the Authority's standards and requirements.

State Agency: Any board, authority, agency, department, commission, public corporation, body politic, or instrumentality of the State of New York.

Subdivision: (See *Residential Subdivision*)

Submetering: The redistribution of electric service to multiple meters not owned by the Authority.

Sub/Transmission Service Level: Customers taking service at or above 23,000 volts will be assigned to Sub/Transmission rates.

Substantially Interconnected: Will be determined by reference to the PSEG Long Island Small Generator Interconnection Procedures. Systems in the SGIP Fast Track process will be considered substantially interconnected upon completion of Step 6 of the Fast Track process. Systems sized between fifty (50) kW and five thousand (5,000) kW will be considered substantially interconnected upon completion of Step 7 of the SGIP. (Systems larger than 5,000 kW will continue to be ineligible for net metering.)

Supply Line: A part of a distribution line that is installed between an existing electric distribution system and an underground distribution line within an underground-designated area. (See *Underground-Designated* Area)

Surcharge: In connection with extension of distribution facilities, a monthly, bimonthly, or annual charge assessed Residential Customers over a period that does not exceed ten (10) years and which recovers the cost of the distribution facilities Customers are directly responsible for.

I. How to Obtain Service (continued):

D. General Obligations of the Authority and Applicants (continued):

Periodic Notifications to Nonresidential Customers (continued):

(4) Notice of a change of the Customer's service classification will:

(a) Be given when the change is made, and

(b) Give the reason for the change.

(5) If the Authority is unable to gain access to the Customer's meter, the Authority will send a Notice to the Customer with the second estimated bill, stating:

(a) The Customer has an obligation to tell the Authority who controls access, and

(b) Who, on the Authority records, is listed as having control of access to the Customer's meter, and

(c) If the Authority's records are incorrect, request the name of the Access Controller, or

(d) The Customer may receive future notices and penalties.

(6) Notice explaining the Authority's right to revise estimated demand charges when access is unavailable. This Notice shall be sent annually to every demand-billed Customer, be enclosed in estimated demand bills, and explain that:

(a) The revised estimation of the demand charges may be unfavorable to the Customer, and

(b) That the Customer can avoid the revised estimation of the demand charges by arranging access to the meter.

4. Unusual Conditions

The Authority may approve special arrangements when these unusual conditions exist:

a) Uncertain Period of Service
The Customer cannot assure the Authority that the use of the service will be reasonably permanent.

b) Excessive Cost of Construction
The estimated cost per foot of a particular installation, because of unusual circumstances, is more than twice the Authority's average cost per foot.

c) A Non-Residential Applicant requesting service at the Sub/Transmission Service Level (at or above 23,000 volts) will be required to enter into an Interconnection Agreement ("IA"). The IA will include but not [be] limited to clauses that address the Interconnection of the customer, Ownership, Design of Interconnection Equipment, Operation and Maintenance of the Interconnection equipment, Inspection and Access Rights to customer owned property to service the Interconnection equipment, Events of Default/Termination, Indemnity of the utility for customer own equipment, and Force Majeure/Planned outage notification requirements.

~~c)~~d) Special Cases
The conditions are not covered in the Authority's Tariff.

VIII. SERVICE CLASSIFICATIONS (continued):

E. SERVICE CLASSIFICATION NO. 2-L - General Service - Large:
(Rate Codes: 281, 283, 291)

1. Who Is Eligible

Customers who will use the service for any purposes other than Residential, when:

a) For monthly-billed Customers, electric use during the last twelve (12) months has equaled or been greater than 2,000 kWh in each of two (2) consecutive monthly billing periods, or

b) For bimonthly-billed Customers, electric use during the last twelve (12) months has equaled or been greater than 4,000 kWh in two (2) consecutive bimonthly billing periods, or

c) For Applicants, the Authority estimates their demands at 7 kW or more.

d) A Customer, as described in a. through c. above, that has the option under Service Classification No. 12 – Back-up and Supplemental Service, can choose to pay the rates and charges associated with a different Service Classification.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, single or three-phase; network system 120/208 or 277/480 volts, single or three-~~-~~phase; depending on the size and characteristics of the load and the circuit supplying the service.

c) Radial primary service at approximately 2,400/4,160, or 7,620/13,200~~, 23,000 or 33,000~~ volts, three-phase, depending on the size and characteristics of the load and the circuit supplying the service.

VIII. SERVICE CLASSIFICATIONS (continued):

F. SERVICE CLASSIFICATION NO. 2-L - General Service – Large (continued): (Rate Codes: 281, 283, 291)

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are set forth below.

	Secondary Service	
Rate Code 281	June to September Inclusive	October to May Inclusive
Service Charge per day	$ 2.80	$ 2.80
Demand Charge per kW of demand	$ 21.32	$ 19.56
Energy Charge per kWh	$ 0.0360	$ 0.0141

	Primary Service	
Rate Code 281	June to September Inclusive	October to May Inclusive
Service Charge per day	$ 2.80	$ 2.80
Demand Charge per kW of demand	$ 19.91	$ 18.19
Energy Charge per kWh	$ 0.0354	$ 0.0135
Demand Charge per KVAR of Reactive Demand	$ 0.270	$ 0.270

a) Rate Code 283 - Seasonal

The following changes to 3.a) above apply to Customers who terminate service for at least four (4) continuous months from October through May and submit a signed Application:

VIII. SERVICE CLASSIFICATIONS (continued):

F. SERVICE CLASSIFICATION NO. 2L - VMRP
Voluntary Large Demand Metered Service With Multiple Rate Periods:
(Rate Codes: 282 and 294)

1. Who Is Eligible

Customers who will use the service for purposes other than Residential, when:

a) For monthly-billed Customers, electric usage has been greater than 2,000 kWh in each of two (2) consecutive monthly billing periods, or

b) For bimonthly-billed Customers, electric usage has been greater than 4,000 kWh in two (2) consecutive bimonthly billing periods, or

c) It is estimated by the Authority that the Applicant's demand is 7 kW or more, or

d) A Customer, as described in a. through c. above, that has the option under Service Classification No. 12 – Back-up and Supplemental Service, can choose to pay the rates and charges associated with a different Service Classification.

e) This Service is optional to S.C. No. 2-L.

f) Effective January 1, 2023, Rate Code 282 will no longer be available to new or transferring customers. Customers may request Service Classification No. 2L or Rate Code 294.

g) Effective January 1, 2023, Rate Code M282 will no longer be available to customers. Customers may request Service Classification No. 2L or Rate Code 294.

h) Rate Code 294 customers must have Advanced Metering Infrastructure (AMI) installed to qualify.

i) A customer is not eligible to return to Rate Code 294 for a period of twelve (12) months from its date of exit from Rate Code 294.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, single or three-phase; network system 120/208 or 277/480 single or three-phase; depending on the size and characteristics of the load and the circuit supplying the service.

c) Radial primary service at approximately 2,400/4,160, or 7,620/13,200~~, 23,000 or 33,000~~ volts, three-phase, depending on the size and characteristics of the load and the circuit supplying the service.

VIII. SERVICE CLASSIFICATIONS (continued):

F. SERVICE CLASSIFICATION NO. 2L - VMRP
Voluntary Large Demand Metered Service With Multiple Rate Periods (continued):
(Rate Codes: 282 and 294)
Rates and Charges per Meter per Month (continued):

Rate Code 282-(Primary)
Service Charge per day $ 2.80

	Rate Periods**		
	1	2	3
	Off-Peak all year 11 p.m. to 7 a.m.	On-Peak* June - Sept. weekdays 12 noon to 8 p.m.	Intermediate all other hours
Demand Charge per kW Total of 3 Rate Periods	none	$ 58.38	$ 8.13
Energy Charge per kWh Total of 3 Rate Periods	$ 0.0036	$ 0.0280	$ 0.0234
Demand Charge per KVAR of Reactive Demand Total of 3 Rate Periods	none	$ 0.270	$ 0.270
Minimum Demand Charge per Meter per kW per Rate Period	none	$ 52.91	$ 6.44

**See Paragraph IV.A.10, “Daylight Savings Time”, on Leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer’s bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the Merchant Function Charge, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

3. Minimum Charge - All Rate Codes

The monthly Minimum Charge is the Service Charge, and may include an annual Demand Charge (See 6.below), plus Adjustments to Rates and Charges.

VIII.SERVICE CLASSIFICATIONS (continued):

I. SERVICE CLASSIFICATION NO. 2 - MRP
Large General and Industrial Service With Multiple Rate Periods:
(Rate Codes: 284, 285, M284, M285)

1. Who Is Eligible

   a) Customers who will use the service for any purpose other than Residential, when:

      (1) The monthly recorded demand has been more than 145 kW in any two (2) consecutive months, or

      (2) The Authority believes an Applicant's demand will be more than 145 kW in any month.

   b) Customers may choose between Rate Codes 285 and 284 below when they qualify for the service.

   c) Customers' options to transfer between Rate Codes 285 and 284 are covered under Special Provision *10.e* below.

   d) A Customer, as described in a. above, that has the option under Service Classification No. 12 – Back-up and Supplemental Service, can choose to pay the rates and charges associated with a different Service Classification.

2. Character of Service

   a) Continuous, 60 hertz, alternating current.

   b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, three-phase; network system 120/208 or 277/480, depending on the size and characteristics of the load and the circuit supplying the service.

   c) Radial primary service at approximately 2,400/4,160 or~~,~~ 7,620/13,200 volts ~~or higher~~, depending on the size and characteristics of the load and the circuit supplying the service.

   d) Radial Sub/Transmission Service Level at approximately 23,000 volts or higher, three phase, depending on the size and characteristics of the load and the circuit supplying the service.

VIII. SERVICE CLASSIFICATIONS (continued):

I. SERVICE CLASSIFICATION NO. 2 - MRP
Large General and Industrial Service With Multiple Rate Periods (continued):
(Rate Codes: 284, 285, M284, M285)
Character of Service (continued):

e) The Authority may consider loads with a minimum estimated demand of 10,~~,~~000 kW for service at ~~69~~23,~~,~~000 volts or higher.

f) The Primary Rate will also apply to Customers served at 2,~~3,0~~400 ~~or~~through ~~3~~13,~~,000~~ 200 volts.

g) The Sub/Transmission Service Level Rate will apply to Customers served at ~~69~~23,~~,~~000 volts or higher.

3. Rates and Charges per Meter per Month:

a) Schedule of Rates

The rates for the service code are set forth below.

Rate Code 285	Secondary	Primary	Sub/Transmission
Service Charge per day	$ 3.68	$ 4.99	$ 4.99

	Rate Periods**		
	1	2	3
	Off-Peak all year midnight to 7 a.m.	On-Peak * June-Sept. except Sundays 10 a.m. to 10 p.m.	Intermediate all other hours
Demand Charge per kW			
Secondary	none	$ 33.33	$ 11.05
Primary	none	$ 27.58	$ 9.34
Transmission	none	$ 22.79	$ 7.66
Energy Charge per kWh			
Secondary	$ 0.0068	$ 0.0469	$ 0.0298
Primary	$ 0.0039	$ 0.0408	$ 0.0260
Transmission	$ 0.0039	$ 0.0382	$ 0.0242
Minimum Demand Charge per Meter per kW per Rate Period			
Secondary	none	$ 33.50	$ 9.21
Primary	none	$ 28.76	$ 8.13
Transmission	none	$ 23.79	$ 6.68

*For Rate M285, the modified peak period is from 3 p.m. to 10 p.m. on weekdays (Monday – Friday)
** See Paragraph IV.A.10, “Daylight Savings Time”, on Leaf No. 99.

VIII.SERVICE CLASSIFICATIONS (continued):

I. SERVICE CLASSIFICATION NO. 2 - MRP
Large General and Industrial Service With Multiple Rate Periods (continued):
(Rate Codes: 284, 285, M284, M285)

4. Special Provisions

a) Corrective Equipment Requirements

When the installation includes welders, x-rays, or other apparatus having a highly fluctuating or large instantaneous demand, the Customer shall provide batteries, rotating equipment, or other corrective equipment to reduce the inrush current to an amount acceptable to the Authority.

b) Requirements for Service at 69,000 Volts or Higher

The Applicant shall provide and maintain voltage regulating equipment and circuit breakers complete with accessory equipment, using the procedures and schedules specified by the Authority.

c) Changes in Eligibility of Existing Accounts

If there is an Applicant for an existing account, but the Authority believes the Applicant's business activity will change the characteristics of the account's loads, the account will be considered a new account for Service Classification purposes.

d) Business Development Programs

(1) Empire Zone Program

(a) The Empire Zone Program expired on June 30, 2010. Customers on this program, prior to July 1, 2010, will continue to receive rate discounts until their previously agreed upon term has expired.

(b) With the exception of the Calverton portion of the Suffolk County Empire Zone, Primary and Secondary Customers who qualify receive a 50% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand.

(c) With the exception of the Calverton portion of the Suffolk County Empire Zone, Transmission Customers who qualify receive a 55% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand.

(d) Qualifying Primary and Secondary customers within the Calverton portion of the Suffolk County Empire Zone receives a 6% discount on their Base Rate Energy Charge per kWh and Period 3 Demand Charges, but only for the additional energy and demand.

VIII.SERVICE CLASSIFICATIONS (continued):

O. SERVICE CLASSIFICATION NO. 11 - Buy-Back Service (continued):
(Rate Code: 289)
Customer Options (continued):

a) The Customer, instead of supplying firm service, may contract for sales of energy to the Authority on an interruptible basis under Energy-Only Rates in 4.b below, and

b) When needed, the Authority will solicit capacity for short periods of time.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Service is metered at one standard delivery voltage, and the Authority will determine the site-specific characteristics and make the necessary adjustments to maintain that delivery voltage.

c) Secondary service is at 120/208, 120/240, or 277/480 volts.

d) Primary service is at 2,400/4,160 or 7,620/13,200 volts.

e) Sub/-T~~t~~ransmission S~~s~~ervice Level is at 23,000~~, 33,000, or 69,000~~ volts or higher.

~~f) Transmission is at 138,000 volts or higher.~~

VIII.SERVICE CLASSIFICATIONS (continued):

Q. SERVICE CLASSIFICATION NO. 13
Negotiated Rate Service for Large Commercial Customers (continued):
(Rate Code: 278)
Who is Eligible (continued):

a) Retention Customer An existing single-account or multiple-account Customer that is considering:

(1) Relocating at least 500 kW of its electric load outside the Authority's Service Area, or

(2) Generating or purchasing some or all of its energy (including electricity, steam, or chilled water) from sources other than the Authority or the New York Power Authority.

b) The Metropolitan Transportation Authority for Traction Power Service to the Long Island Rail Road.

c) The Brookhaven National Laboratories pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority.

d) Sewer districts participating in the Suffolk County Coastal Resiliency Initiative.

1. Who Is Not Eligible

Retail enterprises [as defined in the New York State Tax Law, Section 210.12(k)(i) and (ii)] or local public entities, except as noted for specific purposes above, are not eligible for service under this Service Classification, unless they can show that they can or will generate their own power.

2. The Electric Service Agreement:

The Electric Service Agreement shall be negotiated and signed before service begins, and shall contain all the terms and conditions needed for the Authority to provide service, including Term of Service, Characteristics of Service, Rates and Charges, and restrictions and penalties that may apply.

3. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Radial secondary service at approximately 120/208, 120/240, or 277/480 volts, three-phase; network system 120/208 or 277/480, depending on the size and characteristics of the load and the circuit supplying the service.

c) Radial primary service at approximately 2~~,~~400/4~~,~~160 or~~,~~ 7~~,~~620/13~~,~~200 volts~~ or higher~~, three-phase, depending on the size and characteristics of the load and the circuit supplying the service.

d) Radial Sub/Transmission Service Level at approximately 23,000 volts or higher, three-phase, depending on the size and characteristics of the load and the circuit supplying the service.

~~c)~~e) The Authority may consider loads with a minimum estimated demand of 10,000 kW for service at ~~69~~23,000 volts or higher.

Department of Public Service

KATHY HOCHUL
Governor

RORY M. CHRISTIAN
Chief Executive Officer

December 8, 2025

Via E-mail and U.S. Mail
Honorable Tracey A. Edwards, Chairwoman
Board of Trustees
Long Island Power Authority
333 Earle Ovington Blvd.
Uniondale, New York 11553
LIPATrustees@lipower.org

Re: Matter 25-00924 – Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service

Dear Chairwoman Edwards:

I am pleased to provide the recommendations of the New York State Department of Public Service (DPS or the Department) regarding the proposed changes to the Tariff for Electric Service (Tariff) by the Long Island Power Authority (LIPA or the Authority), effective January 1, 2026. The LIPA Reform Act empowers the Department to make recommendations concerning the operations and terms and conditions of service provided by the Authority and its Service Provider. The Department recommends that the LIPA Board of Trustees (Board) adopt the Authority's proposals with minor modifications as discussed herein.

LIPA proposes five modifications to its Tariff. These changes to the Tariff include proposals to: 1) implement rate adjustments as determined through LIPA's annual budget process including updating provisions related to Daylight Savings Time (DST), 2) implement the New York State Energy Affordability Guarantee Pilot (EAG Pilot or Pilot), 3) allow ReCharge New York (Recharge NY) customers to participate in the Long Island Choice program, 4) introduce Standby Rates, and 5) clarify that the threshold between primary distribution lines and transmission lines for rate purposes is 23,000 volts. DPS Staff also addresses the modification to remove reference to the Specifications and Requirements for Electrical Installations manual or Redbook.

In accordance with the State Administrative Procedure Act, LIPA solicited public comments for each of the proposals, by November 29, 2025. LIPA accepted written comments submitted to a designated email provided on their website, and held three public comment sessions. The first Public Comment Session was held on November 18, 2025, in the Rockaways. The second and third were both held on November 24, 2025, one in Suffolk County, the other in Nassau County. Public comments regarding LIPA's overall budget forecast were received, however, none of the comments related to the specific proposals contained herein.

Annual Rate Update

LIPA proposes to modify its Tariff to reflect rate adjustments as part of their annual budget process. Additionally, LIPA proposes to eliminate Tariff provisions for older metering technology that is unable to automatically adjust to DST, effective January 1, 2026.

Staff reviewed LIPA's proposed budget for 2026 as well as LIPA's proposed rate adjustments to confirm they are aligned with the revenue requirement associated with the 2026 budget. Staff also conducted bill impact analysis to assess the rate update's impact on customer's bills. While each customer's bill will vary depending on their specific rate class and usage, bill impact analyses can provide insight to how customer bills will be impacted based on comparing the proposed 2026 rates against current rates. The bill impacts utilized in these analyses represent customers with average electric usage as compared to the rest of their service class.

Residential customers on flat rate 180, with a monthly usage of 719 kWh can anticipate an increase in their total monthly bill of $0.46, or 0.23 percent. Customers on the default residential Time of Day (TOD) rate 194 with a monthly usage of 719 kWh can anticipate an increase in their total monthly bill of $0.77, or 0.39 percent. As LIPA is completing the migration of residential customers to TOD rates by the end of 2025, most customers will have the potential to save money by shifting their usage to off peak hours. While TOD rates are now LIPA's default rate for residential customers, all residential customers retain the option to opt out of TOD rates and receive service under the traditional flat rate 180.

Small commercial customers on rate 280 with a monthly usage of 418 kWh can anticipate a decrease in their total monthly bill of $9.46, or 7.13 percent. Large commercial customers on rate 281 with a monthly usage of 4,608 kWh can anticipate a decrease in their total monthly bill of $12.88, or 1.04 percent. Finally, customers on rate 285, which applies to mandatory large demand metered service with multiple rate periods, can anticipate a decrease in their total monthly bill of $179.90, or 0.90 percent. The reduction for rate 281 and 285 customers is mainly attributable to monthly savings from the Power Supply Charge and the Distributed Energy Resource (DER) Charge.

LIPA also proposes to eliminate outdated language in the Tariff intended to accommodate older meters which are unable to change the periods of DST as mandated by Federal law. The Energy Policy Act of 2005 changed the start and end dates of DST and became effective in 2007.[1] At the time, LIPA utilized electric meters on their system which were unable to automatically adjust to these changes. For customers on time varying rates, these meters measured electric usage during the different rate periods for billing purposes (on-peak, off-peak, intermediate), however, these meters were unable to update to the new start and end dates of DST. There was a period at the beginning and end of DST during which the meters' energy measurement for each rate period were not aligned with the times as listed in the Tariff. Accordingly, the Tariff included language to clarify that, until the meters could be updated, the rate periods would continue to be applied at the old DST start and end times. LIPA has since replaced these older meters with modern Advanced Metering Infrastructure which automatically implement the DST periods in effect, thus these provisions are no longer needed.

Staff has reviewed LIPA's proposed Annual Rate update for 2026. We have determined the rate updates are consistent with LIPA's annual budget process and have been appropriately applied to each of the customer service classifications. Staff has also reviewed and supports the proposal to eliminate the language in the Tariff related to DST provisions which are no longer needed. For these reasons, DPS recommends that the LIPA Board adopt the Annual Rate Update and this modification as proposed.

EAG Pilot

LIPA proposes to modify its Tariff to allow ratepayers within its service territory to enroll and participate in the New York State EAG Pilot program, effective January 1, 2026. Enrollment in the Pilot will be open to eligible low-income customers within LIPA's service territory who fully electrify their home's space and water heating with heat pumps via participation in the EmPower Plus program, which is administered by the New York State Energy Research and Development Authority (NYSERDA). Staff recommends that the Board adopt and implement the EAG Pilot as proposed.

On May 20, 2016, the Public Service Commission (PSC or Commission) established a policy that the target energy burden for low-income customers should not exceed six percent of their household income.[2] In addition, New York State endeavors to decarbonize buildings to reduce greenhouse gas emissions and achieve the goals set by the Climate Leadership and Community Protection Act (CLCPA). As the State advances these goals, the PSC aims to ensure that low-income customers who adopt beneficial electrification upgrades in their homes do not experience an energy burden

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1 Pub. L. 109-58 (August 8, 2005).

2 Case 14-M-0565, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers, Order Adopting Low Income Program Modifications and Directing Utility Filings (issued May 20, 2016), p. 3.

that exceeds six percent of their household income.[3] As such, through the EAG Pilot, the Commission is building on its existing programs and policies to enable affordable electrification.

As part of the 2024-2025 New York State Budget, $50 million was appropriated to the Department for disbursement to utilities, including LIPA, to provide an Energy Affordability Guarantee (Guarantee) via a bill credit to low-income customers who are enrolled in EmPower Plus and have fully electrified their homes in compliance with the standards set by NYSERDA.[4] The budget appropriation states that the Guarantee would be established so that EmPower Plus customers should not spend greater than six percent of household income on electric utility bills for the estimated useful life of the related electrification project. The PSC has the authority to determine a cap based on the customer's annual total electric consumption in kilowatt hours when setting terms for the program. The budget appropriation also requires that the Guarantee stay at the residence which was initially enrolled in EmPower Plus and explains that it cannot be transferred to another residence if the applicant were to relocate. Moreover, a new tenant or owner of the enrolled residence can assume the Guarantee if they are eligible for the program upon application.

On August 15, 2024, the Commission issued an Order to establish the terms and parameters of an EAG Pilot.[5] DPS Staff subsequently filed an Implementation Plan on November 15, 2024 that details how the Pilot will operate for the first two years in collaboration with an Implementation Contractor (IC).[6] The PSC Order outlined the design and parameters of the Pilot as directed by the State Budget appropriation.[7] The DPS Implementation Plan contains operational details and establishes milestones during for the first two years of the Pilot.[8] The Order and the Implementation plan both go into detail regarding customer eligibility requirements, how the Guarantee credit will be calculated, the frequency and duration that the Guarantee credit will be provided, the limit or cap on the Guarantee, and the circumstances under which the Guarantee credit could be transferred to a new resident. The deadline for enrollment in the Pilot will be January 1, 2026, or until 1,000 participants are enrolled. Staff is working with NYSERDA in an effort to enroll a minimum of 100 participants in each electric service territory.[9] The IC will review all applications and income certifications, make determinations on eligibility and enrollment, and calculate participants' energy burden and Guarantee

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3 Case 25-M-0249, In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio, Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030 (issued May 15, 2025), p. 32.

4 See Laws of 2024, Chapter 53, Aid to Localities Appropriation (enacted May 1, 2024).

5 Case 14-M-0565, supra, Order Approving Energy Affordability Guarantee Pilot (issued August 15, 2024) (EAG Pilot Order).

6 Case 14-M-0565, supra, Energy Affordability Guarantee Pilot Implementation Plan (filed November 15, 2024) (EAG Pilot Implementation Plan).

7 EAG Pilot Order, p. 2.

8 EAG Pilot Implementation Plan, p. 1.

9 EAG Pilot Implementation Plan, p. 6.

credit, if applicable. DPS is working with LIPA and PSEG LI to ensure that at least 100 participants are enrolled in LIPA's service territory, although Staff anticipates that enrollment will extend past January 1, 2026, to reach 100 participants.

EAG Pilot applicants' household income must be at or below 60 percent of the state median income (SMI), consistent with current ratepayer-funded low-income programs. Applicants must also be enrolled in EmPower Plus, which likewise defines low-income customers as at or below 60 percent of the SMI.[10] Applicants must submit the required income documentation to the IC and give consent for their billing data and energy consumption to be shared between the utility and the IC.[11] Also, applicants must apply to the utility's Energy Affordability Program (EAP), if not already enrolled. Participants will be required to certify their income annually with the IC, though there will be a two-month grace period, for the purposes of calculating their energy burden and their Guarantee credit, if necessary. Participants will not be removed from the Pilot if their household income increases after enrollment.[12] Participants will only be removed from the program by choice, by moving out of the enrolled residence, failing to recertify household income annually within the two-month grace period, or after 15 years of enrollment in the Pilot, or at any point up to 15 years if the electrification project that was utilized to enroll in the Pilot reaches the end of its useful life.[13] Customers who are on budget billing, have arrears, and/or have a Deferred Payment Agreement may also participate in the Pilot.[14]

The IC will calculate the Guarantee each month for individual participants by applying the participant's six percent target energy burden to the net electric bill. The net electric bill is determined by subtracting the participant's monthly EAP credit from their monthly electric charge. The IC will communicate with the utilities if a participant's net electric bill exceeded their six percent energy burden and provide the amount of the credit to be applied to the following month's bill. In situations where a billing adjustment is required after a credit has been applied due to estimated meter reads, cancellations or rebills, budget billing or errors, the increase or decrease will be reflected on a subsequent bill and the IC will explain the reasoning for the adjustment.[15] Regarding the Guarantee limit, the cap on electricity consumption for which a credit will be granted to a participant will be 150 percent of the average electricity consumption of low-income electric heat customers within each service territory.[16] The limit will therefore vary by utility. The methodology and the Guarantee limit may be updated annually.[17] Participants can be enrolled in the Pilot and receive the Guarantee credit for up to 15

10 EAG Pilot Order, p. 9 and EAG Pilot Implementation Plan, p. 3.
11 EAG Pilot Implementation Plan, p. 8.
12 EAG Pilot Implementation Plan, p. 3.
13 EAG Pilot Order, pp. 43-45; EAG Pilot Implementation Plan, p. 5.
14 EAG Pilot Implementation Plan, p. 10.
15 EAG Pilot Order, p. 38; EAG Pilot Implementation Plan, pp. 4 and 9-10.
16 EAG Pilot Implementation Plan, p. 5.
17 EAG Pilot Order, pp. 37-38; EAG Pilot Implementation Plan, p. 5.

years.[18] In cases where a tenant moves out of a residence that is enrolled in the Pilot, the new tenant must prove income eligibility in order to participate in the Pilot for the remainder of the 15 year enrollment period.

LIPA's proposal to modify its tariff and implement the EAG Pilot within its service territory aligns with the criteria outlined in the New York State Budget appropriation, the EAG Pilot Order, and Staff's EAG Pilot Implementation Plan. There are no financial implications to LIPA or its ratepayers from the Pilot as the funding for the Guarantee credits will be provided from the Budget appropriation.

The proposed tariff modification will help to ensure that electric rates remain affordable for low-income customers. Low-income customers who electrify their homes should not have their energy burden exceed 6 percent of their household income, consistent with the EAG Pilot Order and the Commission's EAP. The EAG Pilot will also support the CLCPA's clean energy goals. As such, Staff supports the tariff modification and recommends that the Board adopt the EAG Pilot proposal and implements it as proposed.

ReCharge New York

LIPA proposes to modify its Tariff to allow customers to simultaneously participate in the ReCharge New York program (ReCharge NY or RNY) and LIPA's Long Island Choice program (LI Choice). LIPA also proposes to make certain changes to its LI Choice Operating Procedures and Uniform Business Practices (UBP). ReCharge NY is a New York State economic development program administered by the New York Power Authority that provides eligible industrial and commercial customers with up to 910 megawatts of low-cost power to bolster electric load and job retention throughout the state. LI Choice is LIPA's retail choice program, which allows customers to contract with Energy Service Companies (ESCO) to procure their power supply. Pursuant to this proposal, ReCharge NY customers will have the option to purchase their supplemental power from either LIPA or an ESCO through LI Choice.

ReCharge NY was first implemented in NYS and in LIPA's service territory on July 1, 2012. Currently, approximately 300 customers participate and receive discounted power through this program. This proposal will align LIPA's operation of the program with the state's Investor-Owned Utilities (IOUs) and the Commission's Orders by allowing ReCharge NY customers to elect to purchase their supplemental power needs from ESCOs. Allowing customers to choose their supplemental power provider may result in additional savings for these customers through their ability to negotiate contracts with ESCOs.

[18] EAG Pilot Order, p. 13; EAG Pilot Implementation Plan, p. 5.

LIPA's proposal also includes modifications to its LI Choice Operating Procedures and the UBP which apply to ESCOs operating in their service territory to reflect the modification to allow customers to participate in ReCharge NY and to clarify certain limitations given current system capabilities. The modifications clarify that Electronic Data Interchange (EDI) and consolidated billing are not currently available for ReCharge NY customers who participate in LI Choice. These capabilities will be offered at a future date when LIPA's billing system is upgraded to offer these capabilities. Additionally, the proposal clarifies that incentives for customers enrolled in LIPA's other Business development programs are limited to the load provided by ESCOs when these customers participate in LI Choice and are enrolled in ReCharge.

Any financial impacts to LIPA will depend on the number of RNY participants that contract with an ESCO rather than LIPA for their supplemental power requirements. Staff supports this proposal as it provides additional savings options for Recharge NY customers, and therefore recommends this proposal be adopted as proposed.

Standby Rates

LIPA proposes to modify its Tariff to introduce Standby Rates through Standby Service (Service Classification No. 12 or SC-12) and eliminate existing Tariff provisions for Back-up and Supplemental Service. In addition, LIPA proposes to modify its Tariff provisions for Buyback Services (Service Classification No. 11 or SC-11). These proposed changes will more closely align LIPA's Tariff with the Commission's Orders and the practices of the state's other electric utilities.

LIPA proposes to rename Service Classification No. 12 from "Back-Up and Supplemental Service" to "Standby Service." LIPA's proposal will introduce Standby Rates for non-exempt commercial customers with on-site generating equipment and will make the rates available to most other customers, including mass-market customers, as an optional rate.[19] Under this proposal, commercial customers will be assigned Rate Code 682, replacing Rate Code 681. Rate Code 682 will have eleven sub-rate codes to reflect customer types and phase-in options. Residential customers may opt into Standby Service under Rate Code 179.

For the IOUs in New York State, Standby Service was initially designed for customers who self-supply some or all of their electricity needs from on-site generation sources. Enrollment in Standby Service is mandatory for all customers operating on-site generation facilities, subject to specified exemptions based on technology type and customer class. Buyback Service was designed for customers who utilize on-site generation for the purpose of exporting electricity to the utility-owned distribution system. Participation in Buyback Service is required for all customers intending to inject

[19] Mass market customers are defined as Residential and Small Commercial customers not billed on a demand-basis.

power into the grid, except where exemptions are provided on the basis of technology or customer size. In the Commission's 2019 Order on Standby and Buyback Service Rates, the Commission initiated a number of efforts to improve Standby and Buyback Service Rates "to more accurately reflect costs and benefits and to ensure that those rates are available to all interested ratepayers."[20]

The Standby Rates are designed to be revenue-neutral to the Otherwise Applicable Service Class (OASC), which means they are intended to collect the same amount of revenue from all members of their OASC under Standby Service Rates as is collected under the default rates for the OASC. In addition, LIPA's Standby Rate design and revenue allocation align with the Commission's Allocated Cost of Service (ACOS) Order.[21] The ACOS Order directed the IOUs to file an ACOS study, described the study methodology, and explained that the purpose of the ACOS study is to accurately categorize costs and achieve "the most accurate Standby and Buyback Service rate designs possible."[22] The ACOS study utilizes a decision tree methodology consisting of eight sequential questions. Depending on the specific voltage level, these questions are applied in a different order. The individual questions relate to the cost attributes, impacts, and whether the cost increases or decreases as a direct result of another system change. The decision tree enables the determination of which portion of a given cost is considered customer, shared, or local.[23]

PSEG LI's most recently completed an Embedded Cost of Service ("ECOS") study was in 2019, and these results were used to complete the ACOS study, which determined the costs allocated to the customer, shared, or local categories.[24] PSEG LI applied the decision tree questions and framework, as per the ACOS Order, to the costs in each FERC account across the various functions and classifications contained in the ECOS. As directed in the ACOS order, the decision tree assessment was also applied separately for costs associated with the interconnection voltage of each service class and for costs associated with voltages higher than the interconnection voltage of each service class. Based on the outcomes of the assessment, PSEG LI allocated the costs for each service classification at each function and classification combination to the shared, local, and customer categories used for the Standby Rate design.

LIPA's proposed Standby Service Rates will consist of three elements, consistent with the state's the IOUs: (1) Service Charge, (2) Contract Demand Charge, and (3) As-

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20 Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, Order on Standby and Buyback Service Rate Design and Establishing Optional Demand-based Rates (issued May 16, 2019), p. 3.

21 Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rates and Energy Storage Contract Demand Charge Exemptions (issued March 16, 2022) (ACOS Order).

22 ACOS Order, p. 21.

23 ACOS Order, Appendix B, pp. 1-3.

24 Response to DPS-25040.

used Daily Demand Charge. LIPA states that it set the Service Charge for both the Standby and Buyback Service Rates equivalent to the Service Charge applicable to the OASC. Contract Demand charges are based on an individual customer's maximum demand and are designed to recover costs associated with Local facilities put in place primarily to serve the individual customer. The As-Used Daily Demand Charge is based on daily peak, off-peak, and super off-peak periods, and is designed to recover costs associated with shared facilities.

LIPA proposes two separate methods of measuring demand for Standby Rates, depending on customer service classification. For non-mass market customers, LIPA will measure usage during each 15-minute interval of an hour and multiply the largest of the 15-minute intervals by four to determine hourly demand in Kilowatts (kW). For mass market customers, LIPA proposes to use a 60-minute demand interval calculated by adding the four 15-minute intervals in the hour to measure both energy and demand.[25] Staff agrees that this method is consistent with the Commission policy as discussed in the Standby Update Order in case 15-E-0751,[26] however, language in LIPA's proposed tariff Leaf Nos. 264I and 264J, concerning demand measurement, requires modification.

On both tariff leaves, LIPA states that for mass market customers, "shall have the determination of their Contract Demand (kW) and As Used Daily Demand (kW) based on a 60-minute integrated metered demand, which shall be determined as the sum of the four 15-minute *demands* in an hour." (*emphasis added*). This proposed language does not accurately reflect the measurement methodology discussed above or the method approved in the Standby Update Order, which calculates 60-minute integrated demand by summing four 15-minute intervals – i.e., kilowatt-hour energy readings.[27] Accordingly, Staff recommends that this language be changed to reflect that the 60-minute integrated metered demand "shall be determined as the sum of the four 15-minute *intervals* in an hour" for mass market customers.(*emphasis added*).

In the ACOS Order, the Commission recognized that the updated Standby and Buyback Service Rates for the IOUs would be significantly different than their prior rates.[28] This difference can result in significant bill impacts for existing customers who may have relied on prior rates and rate-setting methodology to justify business decisions regarding installation of generation. To mitigate the high bill impact for existing customers, the Commission directed the IOUs to implement a five-year phase-in of the new rates.[29] LIPA currently does not offer a Standby Rate option; however, the proposed Standby rates similarly represent a significant departure from its current rate design of Back-Up and Supplemental Service Rates.

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25 Proposal Concerning Modifications to LIPA's Tariff for Electric Service, p. 4.
26 Case 15-E-0751, supra, Order Establishing Updated Standby Service Rates and Implement Optional Mass Market Demand Rates (issued October 13, 2023) (Standby Update Order).
27 Standby Update Order, pp. 83-84.
28 ACOS Order, pp. 96-97.
29 ACOS Order, p. 98.

To address concerns over the potential bill impacts for existing customers who will be required to take Standby Rates, LIPA proposes a similar phase-in over five years. LIPA states that the phase-in period will be fixed and will not vary by customer. The phase-in period will occur from January 1, 2026 (Phase-In Year 1) until December 31, 2030 (Phase-In Year 5). Thus, the full Standby Rates will become effective for all Phase-In customers on January 1, 2031. For existing customers, the phase-in Standby Rate will be the default, while migrating to full Standby Rates will be available on an opt-in basis. LIPA's proposal for phase-in design mirrors that of the IOUs, where participating customers will pay rates based on an 83.3 percent to 16.7 percent blend of the parent service class revenue (current rates) and Standby Rates during Phase-in Year 1. Each year thereafter, the blend will shift by 16.7 percent, decreasing the portion based on current rates and increasing the portion based on the Standby Rates. After the fifth year, customers will be fully transitioned to the Standby Rates. Staff agrees that LIPA's proposed phase-in period and calculation methodology are consistent with the IOUs' approach and will be beneficial for existing customers.

Customers in LIPA's service territory who are not required to take Standby Service but choose to do so voluntarily will be referred to as "Optional Rate Customers." In the proposal, LIPA states that Optional Rate Customers can switch back to the applicable non-Standby rate available to them at any time.[30] LIPA also explains that to prevent seasonal fluctuation in rate design, Optional Rate Customers that switch back to a flat rate will not be allowed on Standby Rates and other time-varying rate codes for a period of not less than one year. Staff supports the proposed treatment of Optional Rate Customers as discussed in LIPA's proposal memo, and recommends that such language be explicitly included on Leaf No. 264A in section P.1(e) as follows:

> " e) Customers that opt into SC-12, who do not otherwise meet the requirements of Standby Service ("Optional Rate Customers"). Any customer may opt into SC-12 with the exception of SC-5, SC-7, SC-10, SC-13 customers, unmetered customers and non-AMI metered customers. *Optional Rate Customers can switch back to applicable non-Standby rates available to them at any time, however, to avoid customers switching to take advantage of seasonal fluctuations in rate design, Optional Rate Customers that switch back to a non-time-varying flat rate will not be allowed on Standby rates or other time-varying rate code for a period of not less than one year*." (*emphasis added*).

LIPA's revised tariff Leaf No. 264D enumerates which customer types are exempt from mandatory Standby Service.[31] As proposed, these exempt customers will continue to be served under their otherwise applicable service classification unless they make a one-time irrevocable election to enroll in either the Full Standby Rate or the Phase-In

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30 Proposal Concerning Modifications to LIPA's Tariff for Electric Service, p. 3.
31 Proposal Concerning Modifications to LIPA's Tariff for Electric Service, Original Leaf No. 264D, p. 18.

Standby Rate, if the phase-in period is still active. Customers that qualify for the Environmentally Advantageous Technologies (EAT) Exemption may also opt into Standby Rates or the Phase-In period by submitting a written request to LIPA at least thirty (30) days before beginning operation of their On-Site Generation (OSG). To clarify that this one-time irrevocable election applies to the decision of forfeiting or refusing the exemption as opposed to the choice between electing to be served under Phase-In or full Standby Rates, Staff recommends the language on Tariff Leaf 264D section P.4 “Exemptions from SC-12” be modified as stated below:

> “The following customers shall not be subject to SC-12, but shall be served under the customer's otherwise applicable service classification unless Customers make a one-time irrevocable election *to forfeit or refuse the exemption* and join the Standby Rate or the in-progress Phase-In period of Standby Rates, identified in SC-12.14.g if still applicable...” (*emphasis added*).

LIPA also proposes to make several modifications to its Tariff’s Buyback Service provisions, offered under SC-11. Similar to the proposed Standby Service, LIPA’s proposed Buyback Rates are modified to ensure that customer-owned generators connected to the utility’s distribution systems pay their fair share of fixed system costs and costs related directly to serving them as customers.

LIPA’s Buyback Rates will now include a customer charge and a buyback contract demand charge for the customer’s injections into the system. LIPA proposes to waive the customer charge for Buyback Service if the customer is served under both SC-11 and another service classification through the same service connection. The Buyback Contract Demand will be determined by the amount of load delivered to the Authority’s system that exceeds the Contract Demand billed under SC-12, or the portion that exceeds the demand billed under any other applicable service classification. Similar to Standby Service, the Buyback Service Customer Charge is designed to recover fixed system costs, while the Contract Demand Charge is designed to recover the costs of local facilities specifically installed to meet individual customer needs. The Buyback service does not have a daily as-used component; instead, LIPA will pay Buyback Service customers for net energy injections and resulting capacity.

LIPA proposes an exemption provision in its Buyback Service for standalone Energy Storage Systems (ESS). Any standalone ESS system that submits a complete application i.e., Step 3 of PSEG LI’s Small Generator Interconnection Procedures (SGIP) process before December 31, 2030, will be exempt from Buyback Contract Demand Charges for a period of 15 years beginning as of the project’s in-service date. In the ACOS Order, the Commission found that a limited exemption from Buyback Service Contract Demand Charges for stand-alone ESS would support New York’s broader storage goals and approved an exemption for 15 years beginning on such system's in-service date.[32] The Commission also directed the utilities to carefully observe and report actual cost shifts incurred by the exemption. Pursuant to the ACOS Order, the exemption applied to ESS facilities that either 1) paid a 25 percent deposit toward interconnection costs or 2) signed an interconnection agreement by December 31, 2025.[33] In September 2025, DPS Staff submitted a proposal recommending that this eligibility deadline be extended to the end of 2030, citing the need to support continued development of beneficial energy storage projects.[34]

Staff supports LIPA's proposed Buyback Exemption and the proposed time period for such exemptions for standalone ESS. LIPA's proposed Buyback Exemption aligns with Staff's proposal as it will further incentivize ESS projects in LIPA's service territory, advancing the states' policy goals. Staff also recommends that LIPA continue to monitor the Commission's future decisions regarding the potential extension of the Buyback Exemption and regularly assess Long Island's evolving energy storage needs to determine whether additional modifications to the proposed deadline are warranted. In addition, Staff recommends that LIPA and PSEG LI monitor any cost shift(s) due to the Buyback Exemption and file an annual report to DMM in case 19-E-0079, detailing: 1) the number of participating customers in Buyback exemption by service classification; 2) the total Buyback Service Contract Demand kW participating, by service classification; and 3) the total calculated cost shift by service classification (calculated as a product of the annual kW participating and the otherwise applicable Buyback Service Contract Demand Charge for that year).

LIPA provided bill impact analysis of the proposed rates, based on 2024 customer load data, for the 70 customers who will be assigned to Standby Service on a mandatory basis.[35] Sixteen of the customers on the proposed Phase-In Standby Rates may experience decreases in their delivery bills, while the remaining 54 may experience increases. LIPA estimates that 12 customers could experience significant delivery bill increases of more than 15 percent compared to current rates. Staff acknowledges that actual bill impacts may shift significantly, as the Standby Rate design is more granular in measuring customer load and incentivizes customers to respond to price signals. To help ensure that the customers who are subject to mandatory Standby Service are adequately informed and educated about the proposed rate structure and potential bill impacts under the proposed Standby service, PSEG LI conducted outreach to all 70 customers to provide an overview and explain the proposed rates, as well as answer any specific questions. Staff believes it is important for LIPA and PSEG LI to continue to engage with these customers about the potential impacts of the Standby Rates as the phase-in occurs and further that LIPA and PSEG LI continue to engage with all customers to maximize customer awareness of LIPA's rates and rate design.

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[32] ACOS Order, pp. 125-136.
[33] ACOS Order, pp.141.
[34] Case 15-E-0751, supra, Staff Proposal on Energy Storage Buyback Exemption (filed September 11, 2025).
[35] Response to DPS-25038.

Staff supports LIPA's proposal to introduce Standby Service Rates and to modify its Buyback Service rates. The proposed Standby and Buyback Rates will modernize LIPA’s rate structures by introducing more granular, cost-reflective pricing that distinguishes between shared and local infrastructure costs. In addition, the proposed rates will better align LIPA’s tariff with relevant PSC orders and the IOUs practice in New York. Therefore, Staff recommends that the proposal be adopted, with the minor modifications discussed in this section.

Transmission Voltage

LIPA proposes to amend its Tariff, effective January 1, 2026, to establish a distinction between rates for Primary distribution line service and rates for Sub/Transmission line service at 23 Kilovolts (kV). The proposal will 1) clarify that customers who take service at or above 23 kV will be billed under rates for Sub/Transmission line service, rather than rates for Primary distribution line service; and 2) establish an Interconnection Agreement (IA) requirement for all new non-residential customers requesting service at or above 23 kV.

Currently, the Tariff assigns rates for Sub/Transmission line service to customers taking service at or above 69 kV. LIPA’s proposal will reclassify the voltage threshold for Sub/Transmission line service from 69 kV to 23 kV. This change will affect commercial customers in Service Classifications (SCs) 2-L, 2L-VMRP, 2-MRP, and SC-13, reassigning customers served at 23 kV and 33 kV from Primary distribution line service to Sub/Transmission line service rates.

23 kV is the more accurate technical breakpoint between Primary distribution line and Sub/Transmission line service, from a system design and configuration perspective, on LIPA’s system. Using 23 kV as the threshold to assign customers to different rates ensures that customers taking service at 23 kV and above are charged more consistently with LIPA’s incurred costs incurred to build and maintain the electric grid, leading to a more accurate cost allocation and fairer rates for all customers.

LIPA also proposes to mandate that new non-residential customers requesting service at or above 23 kV enter into an IA. These customers typically require very large loads whose unplanned connection or disconnection can significantly impact grid reliability. An agreement with these customers will establish clear guidelines for interconnection, operation, and maintenance of their facility. This will ensure safe, reliable, and efficient integration with the grid and protect LIPA’s system from potential instability and from stranded assets.

LIPA anticipates no financial impact from these changes. Existing customers who are currently on the correct rate as determined by their voltage level under the new structure will also not be impacted. Additionally, the IA requirements for new customers will not impact rates or existing customers. As explained above, this proposal improves the alignment between LIPA's rates and the electric grid's attributes and will also enhance system reliability. DPS, therefore, recommends that the Board adopt the proposed modifications.

Specifications and Requirements for Electrical Installations

In addition to the proposals discussed above, LIPA is also removing a reference in its Tariff to the Specifications and Requirements for Electrical Installations, also known as the Red Book. This document is referenced in the table of contents of LIPA's Tariff under the "Additional Documents" Section, however the document is not formally a part of the Tariff. The Red Book document is available on PSEG LI's website.[36] Removing the reference to the document is consistent with the tariffs of New York State's IOUs. Staff recommends that PSEG LI and LIPA continue to communicate with stakeholders regarding changes made to the Red Book and provide information regarding changes on its website for reference.

Conclusion

Department Staff has reviewed LIPA's proposed Tariff modifications and finds the proposed updates to be consistent with Commission Orders and the Public Service Law. The Department therefore recommends that the Tariff modifications be adopted by the LIPA Board with the modifications as discussed above.

Respectfully submitted,

Rory M. Christian
Chief Executive Officer

CC: Carrie Meek Gallagher, LIPA Chief Executive Officer
Bobbi O'Connor, LIPA General Counsel & Secretary to the Board of Trustees
William Wai, LIPA Director of Rates
David C. Lyons, PSEG LI Interim President and Chief Operating Officer
Andrea Elder-Howell, PSEG LI VP Legal Services
Joseph Trainor, PSEG LI Senior Manager of Rates
Nicholas Forst, DPS LI Acting Director
Peter Hilerio, DPS LI Counsel

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[36] PSEG LI, Red Book (2022 Ed.), https://www.psegliny.com/en/buildingrenovationservices/codesandstandards/redbook (accessed November 26, 2025).

LONG ISLAND POWER AUTHORITY

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PUBLIC HEARING:

Proposal Concerning Proposed Changes to

LIPA's Tariff

--X

Rockaway YMCA

207 Beach 73rd Street

Arverne, New York 11692

November 18, 2025

6:00 p.m.

B e f o r e:

WILLIAM WAI,

THE PRESIDING OFFICER

A P P E A R A N C E S :

William Wai, Presiding Officer

Gaspare G. Tumminello, Manager

Thomas Kelly, Director of Budget

Soneka V. Cowles, Stenographer

P R O C E E D I N G S

MR. WAI: Good evening. Welcome to this evening's public hearing of Long Island Power Authority. My name is William Wai, and I will be the Presiding Officer for the hearing this evening. Also with me is Thomas Kelly, Director of Budget, at LIPA.

The purpose of this hearing is to receive public comments regarding proposed changes to the Authority's Tariff on five topics. Copy of the Tariff's proposals are available on the Authority's website, www.lipower.org, and they will be incorporated into the record for this hearing.

The procedures for this evening's hearing is fairly simple. In a moment, Tom and I will provide a short overview of LIPA's 2026 budget and the Tariff's change proposals.

After that, I'm going to call for comments from the public on the sign-up sheet. When you are called to speak, please come close by and start by telling us your name and whether you are speaking on behalf of any organization or group. If you want to speak this evening and have not signed in yet, you will need to do so before speaking.

Please note that the purpose of this

hearing is to receive your comments; we will not be responding to any questions or comments today. Your comments will be relayed to the Authority's Staff and Board of Trustees for their consideration at the next Board meeting.

If you have questions, as opposed to comments, we'd be happy to discuss them with you after the sessions, and you can also e-mail or write to us with any comments you might have, and they'll be included for the record to the Trustees.

Now, let's turn to the proposal. There are five topics for today's hearing. First topic is Implementing Rate Adjustments as determined through LIPA's annual budget process. I will turn it over to Tom to discuss LIPA's 2026 budgeting process.

MR. KELLY: Good evening, and thank you, William. I am Tom Kelly, Director of Budget for LIPA. Over the next few pages, I will take you through the highlights of the 2026 budget and the Board objectives that drive the process.

Starting with the Board Objectives for Standards and Service to Customers. The LIPA Board provides strategic direction through a set of government policies that define our purpose and vision as well as strategic outcomes in all areas of utility operations.

The budget process starts with these objectives and set by the Board as reflected in LIPA'S policies: Transmission and Distribution Operations; Customer Experience; Information Technology and Cybersecurity; Clean Energy and Power Supply; Customer Value, Affordability, and Rate Design; Fiscal Sustainability.

I will now turn to Budget by the Numbers, and start with where I ended the page before on Fiscal Sustainability. The 2026 Proposed Budget Maintains Fiscal Sustainability. LIPA is on track to meet the targets set forth and the Board's Fiscal Sustainability Policy, having a debt-to-asset ratio of 70 percent or less by year 2030 with a projected debt-to-asset ratio of 78 percent in 2025. Achieving a 70 percent debt ratio coupled with other credit strengths should position the Authority for AA-category credit ratings comparable to other large public power utilities.

Turning to the proposed 2026 Operating Revenue Budget. Despite increases and labor costs and overall inflation, LIPA and PSEG Long Island have managed to maintain operating costs flat in 2026, while ensuring sufficient funding to maintain and operate the electric system in a manner that meets policy objectives set forth by the Board. A total operating revenue is expected to decrease by 36 million or down 0.8 percent, resulting in a total 2026 budgeted revenue of 4.30 billion, that was compared to 4.34 billion in 2025.

Addressing and Planning for Extreme Weather Events, LIPA's Storm Budget Funds the preparation, response, and repairs necessary to restore electric service after major storms. The proposed 2026 Storm Budget of 82 million is 1.5 million below the 2025 budget level to align with new standards under the extended contract with PSEG Long Island, and the Storm Budget is based on inflation-adjusted historical averages.

Moving to the proposed 2026 Capital Budget. The proposed 2026 Capital Budget is 1.04 billion, an increase of 30.7 million. This increase is due to the required refueling costs related to LIPA's 18 percent ownership of Nine Mile Point 2 nuclear generating power plant. The 2026 Capital Budget will continue to allow for significant investments in the electric grid, including transmission upgrade projects, a new operations yard, and facility operations replacement, pole replacement programs, grid automation projects, and load growth support projects.

Turning to the projected change in the

Typical Residential Customer Bill in 2026. The typical residential bills are projected at $6.53 or 3.3 percent lower in 2026 at $192.30. Due to an estimated decrease in the average electricity used per residential customer of approximately $1.64. The 2026 budget projects that the average residential customer will use 719 kilowatts of electricity per month in 2026, compared to the projected usage of 725 in year 2025.

Speaking to the 2026 Power Supply Cost is projecting lower power supply costs next year contributing $8.64, or down 4.3 percent, to the monthly bill impact. Factors contributing to this decrease of 219 million include:

148 million decrease in commodity cost due to less on-island generation; 29 million decrease in Regional Greenhouse Gas Initiative allowances driven by market prices; 21 million and Zero Emission Credits net of the impacts to the nuclear production tax credit related to LIPA's 18 percent ownership and Nine Mile Point 2 nuclear facility; 22 million decrease in fees and transition costs related to services under the new Power and Fuel Management Services Agreement; 10 million decrease in pass-through property taxes on power plants due to continuing benefits of tax settlements; All of that is partially offset by 11

million increase in capacity, purchase power, and renewables.

And last, I want to show on this page, that electricity prices remain below inflation as the prices of goods and services throughout the country has increased so have utility bills, but LIPA's average residential customer bills continue to remain stable and below the rate of inflation, even as neighboring states experience significant increases driven by wholesale market volatility, grid investment surges, and clean energy surcharges.

I will now turn it over to William to talk about the Tariff's.

MR. WAI: Thanks, Tom. So, Tom go over the budgeting process for rate adjustment.

Our second proposal implement New York State Energy Affordability Guarantee, EAG, Pilot Program. The third proposal that we have today is our Long Island Choice Participation of Non-net Metered Recharge New York customers. Our fourth proposal is to implement a Updated or New Rate Designs for the Buyback Service and Standby Service to stay in line with the New York State practices. Lastly, we are also clarifying the Applicable Rates and Interconnection Agreement for Electric Services at 23,000 kilowatt or above.

That concludes our brief discussion of the proposals. Now, I'm opening up the floor for comments. Do we have anybody?

There are currently no public members participating in the room. Let's wait a few minutes. Let's get off the record.

(A recess was taken.)

MR. WAI: Let's get back on the record now. Now the time is 6:29. There are no public participants here to make comments. Let's close the evening for the public hearing.
Thank you.

(Whereupon, at 6:30 p.m., the meeting was adjourned.)

C E R T I F I C A T E

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

I, Soneka V. Cowles, a Notary Public within and for the State of New York, do hereby certify:

I reported the proceedings in the within-entitled matter, and that the within transcript is a true record of such proceedings.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of November, 2025.

S. V. Cowles
____

Soneka V. Cowles

LONG ISLAND POWER AUTHORITY

--X

PUBLIC HEARING:

Proposal Concerning Proposed Changes to

LIPA's Tariff

--X

H. Lee Dennison Building
Media Room 182
100 Veterans Memorial Highway
Hauppauge, New York

November 24, 2025
10:00 a.m.

B e f o r e:

WILLIAM WAI,
THE PRESIDING OFFICER

A P P E A R A N C E S :

William Wai, Presiding Officer

Gaspare G. Tumminello, Manager

Thomas Kelly, Director of Budget

Soneka V. Cowles, Stenographer

P R O C E E D I N G S

MR. WAI: Good morning. Welcome to this morning's public hearing of Long Island Power Authority. My name is William Wai, and I will be the Presiding Officer for the hearing this morning. Also with me is Tom Kelly, Director of Budget, at LIPA.

The purpose of this hearing is to receive public comments regarding proposed changes to the Authority's Tariff on five topics. A copy of the Tariff's proposals are available on the Authority's website, www.lipower.org, and they will be incorporated into the record for this hearing.

The procedures for this morning's hearing is fairly simple. In a moment, Tom and I will provide a short overview of LIPA's 2026 budget and the Tariff's change proposals.

After that, I'm going to call for comments from the public on the sign-up sheet. When you are called to speak, please come close and start by telling us your name and whether you are speaking on behalf of any organization or group. If you want to speak this morning and have not signed in yet, you will need to do so before speaking.

Please note that the purpose of this

hearing is to receive your comments; we will not be responding to any questions or comments today. Your comments will be relayed to the Authority's Staff and Board of Trustees for their consideration at the next Board meeting.

If you have questions, as opposed to comments, we would be happy to discuss them with you after the sessions, and you can also e-mail or write to us with any comments you might have, and they will be included for the record to the Trustees.

Now, let's turn to the proposal. There are five topics for today's hearing. First topic is implementing Rate Adjustments as determined through LIPA's annual budgeting process. I will turn it over to Tom to discuss LIPA's 2026 budgeting process.

MR. KELLY: Thank you, William, and good morning. I am Tom Kelly, Director of Budget for LIPA. Over the next few pages, I will take you through the highlights of the 2026 budget, as well as the Board objectives that help drive the process.

Starting with the key policies on the objectives on Page 4, Board Objectives for Standards and Service to Customers. The LIPA Board provides strategic direction through a set of governance policies that define our purpose and vision as well as strategic outcomes in all areas of utility operations.

The budget process starts with these objectives and set by the Board as reflected in LIPA's policies: Transmission and Distribution Operations; Customer Experience; Information Technology and Cybersecurity; Clean Energy and Power Supply; Customer Value, Affordability, and Rate Design; and Fiscal Sustainability.

As you see the Fiscal Sustainability is one of the objectives, and as we think about the budget and I transition to the budget, the 2026 Proposed Budget Maintains Fiscal Sustainability. LIPA is on track to meet the targets set forth and the Board's Fiscal Sustainability Policy, where we are able to achieve 70 percent or less by year 2030, with a projected debt-to-asset ratio of 78 percent in 2025. Achieving this 70 percent debt ratio, coupled with other credit strengths, should position the Authority for AA-category credit ratings comparable to other large public power utilities.

Sharing now the proposed 2026 Operating Revenue Budget. Despite increases and labor costs and overall inflation, LIPA and PSEG Long Island have managed to maintain operating costs flat in 2026, while ensuring sufficient funding to maintain and operate the electric system in a manner that meets policy objectives set forth by the Board. A total operating revenue is expected to decrease by 36 million or down 0.8 percent, resulting in a total 2026 budgeted revenue of 4.30 billion, compared to 4.34 billion in 2025.

Additionally, there's planning for extreme weather events, LIPA's Storm Budget Funds the preparation, response, and repairs necessary to restore electric service after major storms. The proposed 2026 Storm Budget of 82 million is 1.5 million below the 2025 budget level to align with new standards under the extended contract with PSEG Long Island. The Storm Budget is based on inflation-adjusted historical averages.

Turning to the proposed 2026 Capital Budget. The proposed 2026 Capital Budget is 1.04 billion, an increase of 30.7 million, or 3.1 percent. Increase is due to the required refueling costs related to LIPA's 18 percent ownership of Nine Mile Point 2 nuclear generating power plant. The '26 Capital Budget will continue to allow for significant investments in the electric grid, including transmission upgrade projects, a new operations yard, and facility operations replacement, pole replacement programs, grid automation projects, and load growth support projects.

The projected change in the Typical Residential Customer Bill in 2026. The Typical Residential Bills are projected at $6.53 or 3.3 percent lower in 2026 than budgeted in 2025, and the proposed budget is $192.30. An estimated decrease in the average electricity used per residential customer is approximately $1.64. The 2026 budget projects that the average residential customer will use 719 kilowatts of electricity per month in 2026, compared to the projected usage of 725 in 2025.

The 2026 Power Supply Cost, LIPA is projecting lower power supply costs next year, contributing $8.64, or 4.3 percent lower, to the monthly bill. There are a number of factors that contributed to that 219 million, which would include:

148 million decrease in commodity cost due to less on-island generation; 29 million decrease in Regional Greenhouse Gas Initiative allowances driven by market prices; 21 million and Zero Emission Credits net of the impacts to the nuclear production tax credit related to LIPA's 18 percent ownership and Nine Mile Point 2 nuclear facility; 22 million decrease in fees and transition costs related to services under the new Power and Fuel Management Services Agreement; a 10 million decrease in pass-through property taxes on power plants due to continuing benefits

of tax settlements; that will be offset by a 11 million increase in capacity, purchase power, and renewables.

Now, sharing the electricity prices relative to remaining below inflation. As the prices of goods and services throughout the country has increased so have utility bills, but LIPA's average residential customer bills continued to remain stable and below the rate of inflation, even as neighboring states experience significant increases driven by wholesale market volatility, grid investment surges, and clean energy surcharges.

I will now turn it over to William to talk about the Tariff Proposals.

PRESIDING OFFICER WAI: Thanks, Tom. The second proposal implemented New York State Energy Affordability Guarantee, EAG, Pilot Program to qualifying customers. The next is providing an option for LIPA's Non-net-metered Recharge New York customers to participate in our Long Island Program. The fourth proposal is to implement a new statewide Rate Designs for the Buyback and the Standby Services to stay consistent with the regulated electric utilities in the state.

Lastly, we propose to clarify the applicable Rates and the requirement of Interconnection

Agreement for customers taking services at or above 23,000 volts.

That concludes our brief presentation. Now, let's open up the floor for comments. Do we have anybody? There are currently no public participants in the room. Let's wait a few minutes. Let's get off the record.

(A recess was taken.)

MR. WAI: Let's get back on the record now. Now the time is 10:30 a.m., and there are no public participants here to make comments. Let's close this public hearing.

Thank you.

(Whereupon, at 10:30 a.m., the meeting was adjourned.)

C E R T I F I C A T E

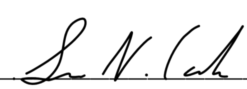
STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

I, Soneka V. Cowles, a Notary Public within and for the State of New York, do hereby certify:

I reported the proceedings in the within-entitled matter, and that the within transcript is a true record of such proceedings.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of November, 2025.



Soneka V. Cowles

LONG ISLAND POWER AUTHORITY

---X

PUBLIC HEARING:

Proposal Concerning Proposed Changes to

LIPA's Tariff

---X

LIPA

333 Earle Ovington Boulevard

Uniondale, New York 11553

November 24, 2025

6:00 p.m.

B e f o r e:

WILLIAM WAI,

THE PRESIDING OFFICER

A P P E A R A N C E S :

William Wai, Presiding Officer

Gaspare G. Tumminello, Manager

Donna Mongiardo, Chief Financial Officer

Soneka V. Cowles, Stenographer

P R O C E E D I N G S

MR. WAI: Good evening. Welcome to this evening's public hearing of Long Island Power Authority. My name is William Wai, and I will be the Presiding Officer for the hearing this evening. Along with me is Donna Mongiardo, LIPA's Chief Financial Officer. The purpose of this hearing is to receive public comments regarding the proposed changes to the Authority's Tariff on five topics. Copy of the Tariff's proposals are available on LIPA's website, www.lipower.org, and they will be incorporated into the records for this hearing.

The procedures for this evening's hearing is fairly simple. In a moment, Donna and I will provide a brief overview of LIPA's 2026 budget and the tariff change proposals. After that, I'm going to call for comments from the public on the sign-up sheet. When you're called to speak, please come close to the microphone and unmute yourself. If you are participating virtually, start by telling us your name and who you are speaking on behalf of any organization or group. If you want to speak this evening and have not signed in yet, you will need to do so before speaking.

Please note that, as the purpose of this hearing is to receive your comments, we will not be responding to questions or comments today. Your comments will be relayed to the Authority's Staff and Board of Trustees for their consideration at the next Board meeting. If you have questions as opposed to comments, we'd be happy to discuss with you after the hearing, and you also can e-mail us or write us with any comments you have, and they will be included for the record to the Trustees.

Now, let's turn to the proposal. Again, the first proposal is rate adjustments as determined through the LIPA's annual budget process. I will turn it over to Donna to discuss LIPA's 2026 Budget.

MS. MONGIARDO: Thank you, William. For today's discussion topics, we have our Board objectives. The proposed 2026 Budget, and William will go over the Tariff's proposals, and like he said, public comments.

Next page, Board Objectives. So LIPA sets out to meet our Board Objectives when we start our budgeting process, the budget process starts with all of these: We have T and D; Customer Service and Experience; Clean Energy and Power Supply; and then we have Customer Affordability, which is very important to us and Rate Design; and Fiscal Sustainability, which leads us to the next slide.

We want to show that LIPA's 2026 Budget is on target to meet the Board's policy on Fiscal Sustainability. We are on track here. We have a debt-to-asset ratio target of 70 percent by 2030. Currently, we are at 70; by the end of 2025, we expect to be at 75 percent. I'm sorry, I can't -- it's 78 percent. I can't see. It's like an eye test, it's so small. Gaspare, I can't see it. So yeah, on the right-hand side of the chart, you'll see that we are expecting to be at 70 percent by 2030. Achieving a 70 percent debt-to-ratio, coupled with our other credit strengths, should position the authority for AA minus credit category ratings comparable to other large public power utilities, which is set forth in the Fiscal Sustainability Policy.

Next page, Operating Budget. So on the left-hand side of the page, we have LIPA's 2025 budget, which was $4.3 billion, and if you follow these along, you'll see on the right-hand side of the page, we have our 2026 Proposed Budget, which is $4.3 billion slightly lower than where we were for 2025. Despite our increases in labor costs and overall inflation, LIPA and PSEG have managed to maintain operating costs that are flat in 2026 while ensuring sufficient funding to maintain and operate the electric system in a manner that meets those Board policy objectives that we reviewed at the beginning.

So next page, we have also continued to keep our Storm Budget at about $83 million a year, it's 82. We transferred 1.5 million to PSEG to align with new standards under the extended contract with PSEG Long Island. So the total Storm Budget is 82 million but their threshold also increased, and that Storm Budget is based on inflation-adjusted historical averages, and we'll continue to monitor that through the next budget cycle.

Next page, our Capital Budget is also flat, it's 1.04 billion. It appears as an increase, but LIPA and PSEG are flat. We had Nine Mile Point 2, which has every other year they do refueling at the generating power plant, so that is the reason for the increase of $30 million. So PSEG and LIPA's Capital Budget continues to allow for significant investments in the grid. We have transmission upgrade projects, new operations yard, a facility operations replacement, pole replacement programs, some grid automation projects, and load growth support.

Next page, this is our Typical Residential Customer Bill projection. So it goes, on the left-hand side of the page, we had projected with 2025's budget, we had estimated that our Typical Residential Customer Bill would be $193.98. However, with the higher power supply costs in 2025, we are expecting that to come closer to $198.83. So that's $4.37 increase in power supply, and also $0.48 increase of attributable to increased usage, which had to do with the heat over the summer.

So starting at that point, our 2025 projection, we're estimating that bills would go down $6.53, 3.3 percent. So we have a deliverance in delivery which is going up by $3.12, that's primarily due to debt service, which we saw in the previous page, and offsetting that is power supply cost, which we are projecting to go down $8.64. We're also projecting usage to come down by contributing $1.64. That is due to some of our Residential Energy Efficiency programs this year. So for 2026, we are projecting a bill of $192.30 for our typical residential customer.

Next page, Gaspare. This just highlights some of the contributing factors to the decrease in the power supply costs. We do expect to decrease in the commodity cost due to less on-island generation, which would then drive lower gas usage. 29 million decrease in RGGI costs driven by market prices. 21 million decrease in Zero Emission Credits due to the impacts of the nuclear production tax credit related to our ownership at Nine Mile

Point 2. We have some decreased fees on transition costs related to the new power and fuel Management Services Agreement, and our continuing decline in the pass-through property taxes on the power plants.

Next page, electricity prices remain Below Inflation as the price of goods and services throughout the country have increased, so have utility bills, but LIPA's average residential customer bill continues to remain stable. It's below the rate of inflation even as neighboring states experience significant increases driven by wholesale Market volatility, grid investment surges, and clean energy surcharges. So you see, LIPA is about 25 percent compared to natural gas on the left-hand side, which is 41 percent.

Does that conclude the presentation? Yes, so I'll hand it back over to William.

MR. WAI: Thank you, Donna. So again, the first proposal is implementation of rate adjustments that is determined through LIPA's annual budget process. Our second proposal is to implement a New York State's pilot program that provides the Energy Affordability Guarantee to qualified customers LIPA served. The next proposal is to provide an option for LIPA's Non-net-metered ReCharge New York customers to participate in the Long

Island Choice program.

The Fourth proposal is to implement the new statewide Rate Designs for the Buyback Services and the Standby Services to stay consistent with the regulated electric utilities in the state. And finally, we propose to clarify the applicable Rates and the requirement of Interconnection Agreement for customers taking services at or above 23,000 volts.

That concludes our brief presentation. Now, I will open the floor for public comments. Now, let's start with the sign-on sheet, and I have Fred Harrison, please.

MR. HARRISON: You know, I said to you when I walked into the room that I very much appreciate staff that put into this budget. It can be no easy task trying to keep electric rates as affordable as possible, and it's no easy task for ratepayers, like myself, who have a -- who have a long background in rates going back into the 1970s, but to make sense of all the spending LIPA does to keep the grid operating. I have to say it's particularly challenging because there's no formal means to ask questions once the budget is presented.

Showing my age, where I cut my teeth on this subject, it used to be under local rate hearings, and going there was a process of being able to issue interrogatories that required responses. So ratepayers and interested parties could learn what they actually needed to learn to make better sense, and here I have to say that for all of LIPA's transparency, and there's a lot of transparency, I can spend hours reading LIPA's material. It's not hidden. You don't get to ask questions, though, and I have to be honest, that's a real problem.

You know, public hearings like this let people like me vent a bit, but it's not a process, you know, that takes ratepayers really into account. There are some elements of the 2026 Budget that raised some questions to me, obvious questions. With rising costs, how is LIPA managed to project to produce the utility bills. Now, certainly I would never object to a cut in ratepayers' bills? I think that's wonderful, but forgive me if I'm a bit skeptical of this prediction.

For several years now, LIPA has been underestimating ratepayer bills. Forecasts were off in 2022, and 2023, and in 2024 we had a 11.6 percent rate increase. Will the same thing happen this year? Now, I understand wanting to put an optimistic smile on for ratepayers, but immediately after last week's budget presentation, I want home for lunch, only the to read an article in The Wall Street Journal projecting increased natural gas prices for 2026.

According to the U.S. and Energy Information Agency, Henry Hub Natural Gas prices are expected to average of $4 in 2026, 16 percent higher than in 2025. Morgan Stanley projects even higher natural gas costs, with prices hitting $5 in 2026. The cause is well known. Dramatic increases in U.S. liquefied natural gas exports, but what would this mean for LIPA ratepayers? Even if the hopes for projections of a warmer Long Island winter and cooler summer turn out to be true. Will that really keep prices down? LIPA no more controls global weather than it does market fuel costs.

And while LIPA may have excellent professional assistants and supply hedging, is that going to change the direction of global fuel prices? Wouldn't it be more accurate and fairer to ratepayers to set out a range of possible monthly charges? Explaining what each bill that so as long as our electricity is tied to the global market, like the tune is a victim of the fossil fuel industry. We could give monthly fuel cost so people could see what the fossil fuel system is actually called for. These are straightforward with ratepayers, and of course, when you're straightforward with ratepayers, that builds confidence; surprise bill hikes do not.

Now, of course, for me, I'm a volunteer leader with Food and Water Watch, the big lesson takeaway is that while we may have to rely on an all-of-the-above power system right now, expensive, and highly polluting fossil fuel-generated electricity is not the long-term answer to what plagues us. Renewable energy is like solar and storage, and ground source heat pumps. For me LIPA needs to redouble its efforts in its direction, and I don't think it would be that hard. LIPA has an incredibly capable staff that could easily do this kind of work, and if they needed assistance to figure out a way to implement, for example, a Long Island solar roadmap or other serious proposals, they would always have the good assistance of the people at PSEG. They're smart too. Now, that would be a budget proposal I think most ratepayers would cheer on. Thank you.

MR. WAI: Thank you. Next, I have Daniel.

MR. CARBON: Yes.

MR. WAI: You can start by the microphone.

MR. CARBON: I want to hand these out to everybody. I have four copies.

MR. WAI: Okay.

MR. CARBON: Name is Daniel Carbon. I'm a licensed professional engineer. I reside at 3 Harbor Hill Drive, Huntington, New York. I've been involved in energy conservation work since 1980, and I became a registered professional engineer in New York State in 1988. Early this year, I applied for the position of CEO at LIPA, but they didn't hire me. So I'm going to talk about the things I would have done if I was hired as the CEO of LIPA, and obviously, this affects the budget, which is what we are here for today.

So here's what I would do. I would conduct an engineer study to determine if the north port unloading platform is strong enough to support a 12-to-15-megawatt wind turbine, and snake power lines through the oil pipelines to the north port power plant to interconnect the electric grid. I understand that oil is no longer used to power the North Port power plant, so it's something that money could be spent on an engineering study to look and see if the oil unloading -- oil unloading platform is sturdy enough to put up a 12-to-15-megawatt wind turbine. Once that's done, put it up, and it'll be owned by LIPA. Once the -- once the LIPA pays off the cost of installing the wind turbine, the electricity coming out of it will essentially be almost free except for the maintenance of the facility. It keeps the rates down.

The second, work with the North Port Harborfield School District to construct the three-megawatt Vestas wind turbine at the Oldfield Middle School, as the school district has seven acres of vacant land on the east side of the property. LIPA would work out a special rate schedule with a wheeling charge to transfer power to the other schools in the district. There's a subtransmission line on the north side of the property at the Oldfield Middle School, and basically, the school district would own the wind turbine, and they would work with LIPA to work out a special wheeling rate.

Let's say, one-tenth of a cent per kilowatt hour to wheel the power over to the other schools, and any surplus power would be sold back to LIPA when they need it. Set up a find the rotten Wilco pole to give people $20 for each rotten Wilco pole reported to LIPA. Hire some employees or spouses, their children under 18 years old can become pole inspector's factors.

In one of the LIPA meetings, I attached -- I gave them an article from Suffolk Light from the late 90s about how Daniel Carbon would use his wooden shoes to check the -- check the sturdiness of the Wilco poles. So one day, Wilco, in its infinite wisdom, decided to give a defective pole on New York Avenue and Huntington Station to the Town of Huntington. I called up my friend, Jane. Jane, I've got a story for you about how Wilco gets rid of its poles by giving them away, and have the Town of Huntington spend $1,500 of its own money. Now they own the pole.

So Jay Lee Bark wrote a full-page story about Daniel Carbon whacking the Wilco poles with his wooden shoes to find the rotten ones, and when I pay my Wilco bill, I decided to copy the article in with the bill. As I understand from a Wilco employee, they actually posted the article on the bulletin boards. I can assure you there's thousands and thousands of defective Wilco poles out there that still need replacement.

I see in your budget, you're spending money on pole replacement, which is -- and you did a lot after Hurricane Sandy, but there's still a lot of really badly rotten poles out there. There's one pole that I reported next to the Syosset Railroad Station at the ticket office, it's so hollow, if you cut it into sections and put drum hats on each section Ringo Starr could play his drums. Peter Garland at one of the LIPA meetings suggested a $20 fee. Why not $50? Then people will really have an incentive to find those old, rotten Wilco poles.

Next item, conduct a service area infrared survey to determine whose roof has sufficient installation to reduce the peak heating and cooling loads. Doing this on a cold winter night across the entire service area, Nassau, Suffolk County, and the Rockaway Peninsulas, and then what we can do is take that infrared survey, and put it on the LIPA website so that everybody can find out how badly insulated their roof is.

When my parents moved out of the house I'm living in 1979, I had the roof reinsulated. Beforehand, if it snowed, the snow would melt off the roof from the heat from the inside. Now, when it snows, the snow stays on the roof frozen until the temperature outside is above 32 degrees, at which point it starts melting. Moreover, that additional snow acts as insulation about R1 to the inch. So 10 inches of snow gives me another 10, R10 on top of the roof. It's a flat roof on the house, and it's much more comfortable; it's unbelievable. How much comfort I've had from reinsulation, and there's so many houses built on the island before 1974. They simply don't have adequate insulation.

It's something that really that we're going to spend money on. Remember, budgets are political documents. To spend money to do this, and tell everybody that they're doing it, and I will talk to more about the billing surge later. Removing rest from resting transmission towers and repaint them using rust-resistant paint. I was on Dale Road, which goes from Jericho Turnpike Southeast to Commack Road, and there's a couple transmission towers going along the road. Look at them. Oh, my God. I couldn't believe how much rust is on these transmission towers.

We've got to get them repainted, or call in a company that knows how to put galvanizing on to make sure they're going to stay sturdy for a little longer. Paint pole transformers white so they don't overheat in the summer on hot summer days. Many years ago, when I was a stockholder at Wilco. I wrote Dr. Caddis Casino a letter. How come Wilco doesn't paint the full transformers white so they don't overheat the summer months, and then in several meetings months later, I asked the same question. Dr Caddis Casinos said, yes, Mr. Carbon, I did see -- we did read your letter. We did reply to it.

Another thing that could be done. Make sure all pole transformers are properly grounded out. I had a problem at my house where I discovered that neutral current was coming in under neutral. Finally, it got corrected. It was causing all sorts of havoc in the electrical system in my house. Ask the New York State legislature to outlaw municipalities, condos, co-ops, and homeowner associations on banning outdoor clotheslines. It's a simple letter to send to the governor and to the state assembly, and to the state Senate. If I was CEO, I'd have that done, and moreover, I'd put out a press release to that effect, and put pressure on the powers of Albany to outdoor -- to outlaw municipalities, condos, co-ops, and homeowner associations on banning outdoor clotheslines.

I have an outdoor clothesline at my house. It's a solar and wind powered. I use it 12 months out of the year, and what I learned is something very interesting. Clothes dry faster in the winter than they do in the summer. Do you know why? Do you know why? Lower humidity. It works. It works. When my electric fryer broke, I decided not to -- not to replace it.

Next page, meet with licensed electricians to discuss issues between them and LIPA, and I'm sure you would have interesting discussions and complaints from licensed electrical contractors dealing with the company. We need to have these periodic meetings and spend a little money, and find out what's going on. Maybe there are issues. When a north port power plant is no longer needed, bring in controlled demolition to blow it up. Have a good riddance party with champagne at the entrance at the boat ramp, launching ramp, and Eaton's Neck Road, and invite all the public to witness the power plant being blown up. When it's not going to be needed, once we install enough wind turbines offshore.

My understanding is the power plant is only used about 15 to 20 percent of time due to its inefficiencies. Combine cycle gas powered power, and get a 55 to 65 percent of efficiency, in terms of converting heat to electrical energy, the North Port power plant, when it runs it's roughly 36 to 38 percent, and it's burning mostly gas. So it's terribly inefficient.

Subdivide the property, retain the national gas line through the property, and sell the remainder to Town Heights for $1.00 of park land. Sell a small piece of property on the south side of Eaton's Neck Road to the Town of Huntington is less than an acre. One of these pieces of property that there's no access to on a road, and it joined to Town of Huntington Park. Sell them $1.00 to the Ingram National Nature Preserve. Convey the shore of nuclear power plant to the nature conservancy or North Shore landlines as a nature preserve. It's still own the property, whether it's National Grid or LIPA, I'm not sure, and it's a beautiful piece of property, which should not be given to the state for as a park land, but rather should be in some sort of nature preserve.

Reinstate the 188 residential time of -- time of day electrical rate. Those people who are on that rate saw their bills go up. I was on that rate for a little over 40 years since it was first instituted. I guess around 1984 or something. I'm not sure how much the rates went up because my normal monthly electric bill is between $50 and $60 a month, so I'd have to really research and find out how I'm getting screwed by -- because at one time I called up LIPA and asked should I change rates, and they said no stay on the 188 rate it's cheaper for you, and then they pulled this little trick, and got rid of the rate.

Print bills on 100 percent recyclable paper. Print on each bill a note calculating the percent increase or decrease in the same month, year ago, indicated it is not adjusted for weather conditions. Right now, the bills have this bar graph, which is basically to the nearest kilowatt hour, but when you're using five, six, or seven kilowatt hours a day for electricity, which is what my house is down to. I every month recalculate that to find out what I'm doing, and compared to last year on this

October, November bill was six kilowatt hours a day. I got down to 5.75. Unfortunately, I can't reduce the bill too much lower, and the reason is very simple: I have a wife, and she doesn't understand everything. I try to convince her of certain things, which is nearly impossible and not worth the fight.

For accounts over $100,000 in annual billing, daily billing of electricity with accounts debited daily with increased cash flow. An interesting idea I thought of many years ago, and I give people one-half percent decrease in their electric bill for having this daily billing of electricity increases the cash flow, especially on the large accounts. Something that somebody should look into.

Identify residential accounts with the highest use of electricity and target them for serious energy conservation efforts. I have done a lot of residential building inspections and residential energy evaluations over the years, and I'm shocked at how high some of the bills are on the highest accounts. The rich waste more energy than the poor. The top 20 percent probably use more electricity, and than the 80 at the bottom. The top ten percent probably use half of the residential electricity. We need to seriously go after these high toes and get them to use their electrical usage.

I reduced the electrical usage in my house from -- well, it was running like 2500 kilowatt hours every 60 days, or this is when my parents were there 40 kilometers a day, and now I'm down to five or six, and it's the same 4200 square foot house. I did a lot of energy conservation work there, and what really makes difference is daylight LEDs. Not the stupid cool light or warm light, daylight, because it's much brighter, and this room has terrible lighting. It should be 5000k, not 3500 or 3,000. They need to do energy conservation in their own buildings. Identify a resistance electric heat users and get these buildings better insulated. A big problem, especially those built before the energy crisis in 1974.

Provide Ben and Jerry's ice cream for refreshments at LIPA Board meetings. That came about because I was a stockholder of Wilco, and at one time in one stockholders' meeting, Wilco provided no refreshments. So I said to Dr. Caddis Casinos, we need better refreshers at the next stockholders' meeting. How about Ben and Jerry's ice cream? And he said, too much cholesterol. Bad for my heart. But I would have answered him other companies have Ben and Jerry's ice cream at their stockholders meeting. Ben and Jerry's, of course.

Setup pay-by-the-pound salad bars in all company lunch rooms. Healthier, and when you have fresh salads, you don't have to cook. In my house, one of the ways I keep the electric bill down is eating lots of fresh fruits and vegetables, but in order to save $0.25 on the electricity bill, I have to eat $25 worth of blueberries. I know you're enjoying my talk. Okay.

Locate all their primary lines and replace them with coded electric lines. I've seen this in some areas on Long Island. It means that the crews who fix and repair the lines they know where they are. Just ask them, they'll tell you. Retire at least $200 million in debt each year. By 2175, LIPA should be debt-free. Get the debt retired. There's no reason to have it around.

I know you spending a lot on capital, and you're trying to get the debt-to-asset ratio reduced, but really, we've really got to get the debt eliminated. It's going to take a lot of hard work. All the accounts should be net zero. If someone wants to hook up, they've got to be a net zero building. Require TV solar on all new accounts and new buildings being built. You can do it. It can be put into the rate schedule. Place help-wanted advertising on bill inserts. People will start reading them to find jobs, and moreover, it cost you very little to do it because you're putting bill inserts in anyway. Why spend money on Indeed or expensive headhunter firms?

Settle all claims in 30 days from start to finish. Admit when you're wrong. In September of 2024, a trunk fell off a oak tree. It was 20 inches in diameter, 80 feet long, weighing probably three or four tons. When it came down, it arched over my car, which was parked in a long Harbor Hill Drive. I called up LIPA. We've got a fire on the road. The down power lines. I called the Long Island police. We got a road that's blocked by the train. LIPA comes; it's 2:15 in the morning. LIPA comes 3:30 in the morning, cuts up the train, but the tree, which is arched over the car, the position shifts, scrunches the car.

It took me going to two LIPA Board meetings and five months to get it settled. There's no reason why we can't settle claims within 30 days, especially when it's obvious it's the utility's fault. They didn't want to admit it, but I had a meeting with Tracy Edwards, who I personally know, and she had made sure the claim was settled. Sometimes people at the top have no idea what's going on at the bottom, and she had no idea that they weren't settling claims quickly.

A 800 number to report outages,

1-800-NO-WILCO. CEO to be stuck at call center taking phone calls during hurricanes. They run out of people to answer the phones. Stick them down there, and everyone wonders where he is. Well, they ran out of people to answer the phone. Give him that job, then he'll know how bad truly things are. Look at the Caddis Casinos, during Hurricane Gloria, he was on vacation. That was bad karma. He left for Italy and Greece, and then Hurricane Gloria came in 1985.

Work with truck manufacturers to develop pure EV electric bucket truck vehicles. Place EV charging stations at company facilities for use by employees. Convert lawn areas on company grounds to pollinator flower gardens and prairies. It reduces costs of maintaining grass, which is kind of stupid. At my house, I got rid of the lawn by not mowing it, so it's now a forest. It cost me nothing, and I have a special landscaping service, Doe and Buck Landscapers. Do you know who they are? Do you know who they are, Doe and Buck landscapers? It's a deer.

Hire a planting colleges to identify sites with unusual plants such as Bird's-Foot Violet along major transmission corridor lines. In Western North Carolina, I saw hundreds of Bird's-Foot Violet under a transmission line. Very, very beautiful plants. Make blower door test a part of the residential energy audits. When I asked -- when I spoke with Caddis Casinos about this, he didn't know what a blower door test was. This is 1994, and I explained to him how it works. You put it, open up the front door, put a temporary door in, put in a fan, pressurize the house to determine the leakage rate, and he says to me, I wonder how leaking my mansion is. He lived in Mill Neck.

Put full-spectrum lighting in all facilities to improve lighting. As I said, you've got terrible lighting at the lighting company. Develop plans to use full-spectrum lighting at night and at street lighting. Prepare energy conservation management plans for all facilities buildings, even the ones that you rent. Put VD systems on roofs of all buildings owned by the company international grid. Allow five minutes of time for each person to speak at the LIPA's public board meetings. Right now it's three minutes, and get -- everybody gets cut off. It's not polite.

Compliance for Freedom Information Law requests. Compliance with Secrecy Minimum Required Review Act. Everybody at LIPA should see the movie I am Greta on Hulu. Everyone should read Greta Thunberg's the climate book. No one should be fired for whistleblowing or conveying bad news of any kind. The next sentence is will they hire Daniel Carbon as the next CEO? Well, they hired somebody else, but these ideas need to be put through.

Now, I want to talk to you about time-of-day rates. I got this bill stuffer from my recent bill. So I made copies to put into the public record. Here, and we need to spend money on putting together a better bill stuffer. This is written in very fine print. It's very small print on a gray background. It's hard to read. Do you think anybody's gonna read it? I didn't even read it. I couldn't even read it. Somebody should go create a new bill stuffer that explains how the time-of-day rates work so people can read it on large enough print, and it becomes something that somebody really -- it's going to have an impact on the people who get their bill.

Better still, if I was CEO, I would write it as a personal note to every ratepayer, this is how it works. Just explain to them that because we have a lot of solar on Long Island after 3:00 p.m., the amount of solar PV being generated drops off very significantly. So we got this horrible peak between 3:00 and 7:00 p.m., and then we have to fire up these inefficient power plants to meet the demand, and explain things to do to reduce your electrical use between 3:00 and 7:00 p.m., and the way I do it at my house is I ate mostly raw food for supper, raw salads.

Before I left here, I had a cut-up apple. That's what I had. I had a cut-up apple, and I don't remember what else I ate, but I know I had a cut-up apple. That was part of my dinner. So we gotta a lot of work to do to encourage people to really understand how time-of-day rates really work for them. A lot of people are not ignoring the fact they can save money on their electric bill. If they only knew how to do it. Being explained in great detail on a better, much better bill insert than this piece of crap, which is basically unreadable, cute, but it doesn't really -- the prints to fine for someone to really read it and understand it.

I want to thank you for giving me the opportunity to speak, and fortunately, we have no 3-minute time limit for testimony. Thank you. Any comments from anyone?

MR. WAI: Thank you for your comments, Daniel. Do we have anybody online?

MR. TUMMINELLO: No one has their hand raised.

MR. WAI: Okay. There are currently no

additional public participants in this room, and the information will be online. So I will post this evening's public hearing. Thank you.

(Whereupon, at 6:47 p.m., the meeting was adjourned.)

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

I, Soneka V. Cowles, a Shorthand (Stenotype) Reporter and Notary Public within and for the State of New York, do hereby certify that the foregoing Statement On the Record, taken at the time and place aforesaid, is a true and correct transcription of the teleconference audio.

IN WITNESS WHEREOF, I have hereunto set my name this 24th day of November, 2025.

____
Soneka V. Cowles

Exhibit "E"

DANIEL KARPEN
PROFESSIONAL ENGINEER & CONSULTANT, P.C.
3 HARBOR HILL DRIVE
HUNTINGTON, NEW YORK 11743

(631) 427-0723
www.danielkarpen.com

My name is Daniel Karpen. I reside at 3 Harbor Hill Drive, Huntington.

I am a New York State licensed professional engineer.

I am applying for the position of Chief Executive Officer at LIPA. I am a serious applicant.

You can hire a corporate type CEO, or you can hire someone who is creative and thinks out of the box. Here are two boxes to think out of.

Here is what I who do if hired to be CEO:

1 Conduct an engineering study to determine if the Northport oil unloading platform is strong enough to support a 12 to 15 Megawatt wind turbine, and snake the power lines through the oil pipelines to the Northport Power Plant to interconnect to the electric grid. I understand that oil is no longer used to fire the Northport Power Plant.

2 Work with the Harborfields School District to construct a 3 Megawatt Vestas wind turbine at the Oldfields Middle School as the school district has 7 acres of vacant land on the east side of the property. LIPA would work out a special rate schedule with a wheeling charge to transmit power to the other schools in the district. There is a subtransmission line on the north side of the property.

3 Set up a "Find the rotten LILCO pole" sweepstakes to give people $20 for each rotten LILCO pole reported to LIPA. Not available to employees or spouses; however their children under 18 years old can become "junior pole inspectors".

4 Conduct a service area infrared survey to determine whose roofs have insufficient insulation to reduce the peak heating and cooling loads. Do on a cold winter night.

5 Remove rust from rusting transmission towers and repaint using rust resisting paint.

6 Paint pole transformers white so they don't overheat on hot summer days.

7 Make sure all pole transformers are properly grounded out.

8 Ask the New York State Legislature to outlaw municipalities, condos, co-op's, and homeowner associations from banning outdoor clothes lines.

9 Meet with licensed electricians to discuss issues between them and LIPA.

10 When the Northport Power Plant is no longer needed, bring in the firm Controlled Demolition to blow it up. Have a "good riddance party" with champagne at the entrance to the boat launching ramp on Eatons Neck Road.

11 Subdivide the property, retain the natural gas line through the property, and sell the remainder to the Town of Huntington for $1.00 as parkland.

12 Sell a small piece of property of the south side of Eatons Neck Road to the Town of Huntingon for $1.00 to be annexed to the Ingraham Nature Preserve.

13 Convey the Shoreham Nuclear Power Plant to The Nature Conservancy or The North Shore Land Alliance as a nature preserve.

14 Reinstate the 188 Residential Time of Day Electric Rate. Those people who were on that rate saw their bills go up.

15 Print bills on 100 percent recycled paper.

16 Print on each bill a note calculating the percent increase or decrease from the same month a year earlier. Indicate that it is not adjusted for weather conditions.

17 For accounts with over $100,000 annual billing, institute "daily billing" of electricity with accounts debited daily M-F to increase cash flow.

18 Identify residential accounts with the highest usage of electricity, and target them for serious energy conservation efforts. The rich waste much more energy than the poor. The top 20 percent probably use more electricity than the 80 percent at the bottom.

19 Identify resistance electric heat users and get these buildings better insulated.

20 Provide Ben and Jerry's ice cream for refreshments at LIPA Board Meetings.

21 Set up pay by the pound salad bars at all company lunchrooms.

22 Put rubber isolation pads at the base of all offshore wind turbines above the waterline to prevent vibrational sound from messing up with whales hearing systems.

23 Locate all bare primary lines and replace them with coated electric lines.

24 Retire at least $200,000,000 of debt each year. By 2075, LIPA should be debt free.

25 All new accounts should be "net zero'.

26 Place help wanted advertising on bill inserts. People will start reading them to find jobs.

27 Settle all claims in 30 days or less from start to finish. Admit when you are wrong.

28 New 800 number to report outages. 1 800 NO LILCO.

29 CEO to be stuck at call center taking phone calls during hurricanes.

30 Work with truck manufacturers to develop pure EV electric bucket truck vehicles.

31 Place EV charging stations at company facilities for use by employees.

32 Convert lawn areas on company grounds to pollinator flower gardens and praries.

33 Hire a plant ecologist to identify sites with unusual plant such as bird foot violets along major transmission corridor lines.

34 Make blower door tests part of residential energy audits.

35 Put full spectrum lighting at all facilities to improve lighting.

36 Develop plans to use full spectrum lighting at night as street lighting.

37 Prepare energy conservation management plans for all facilities.

38 Put PV systems on roofs of all buildings.

39 Allow 5 minutes of time for each person speaking at the public portion at LIPA Board meetings

40 Public to speak at beginning of LIPA meetings.

41 Compliance with Freedom on Information Law requests,

Compliance with SEQRA.

Everyone at LIPA to see the movie "I am Greta" on HULU.

Everyone to read Greta Thunberg's "The Climate Book".

No one to be fired for whistle blowing or conveying bad news of any kind.

Are you ready to hire Daniel Karpen as your next CEO?