

Long Island Choice Program

Operating Procedures

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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of electric energy, installed capacity, and ancillary services, as the same may be amended, modified, supplemented, or superseded from time to time.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- The UBP-LI-ESCO document as the same may be amended, modified, supplemented or superseded from time to time.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 authorization¹ 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 Slammering Prevention Process (“Slammering”)

The switching of a customer from one energy supplier to another without the customer’s knowledge or approval (“Slammering”), 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 data², 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 is offered in the LIPA service territory, 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.

SAMPLE

- 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 (cramming⁴); 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: Director 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 ("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, 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: Director 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: _____