

Proposal Concerning Modifications to LIPA’s Tariff for Electric Service

Requested Action:

Long Island Power Authority (“LIPA” or the “Authority”) staff (“Staff”) proposes to modify its Tariff for Electric Service (the “Tariff”), effective January 1, 2025, to be consistent with recent statutory amendments to the New York State Home Energy Fair Practices Act (“HEFPA”)¹ and to clarify the Tariff’s definitions of Residential and Non-Residential Customers.

Background:

Since 1981, HEFPA has provided residential energy customers with comprehensive protections in areas such as application for service, customer billing and payment, and complaint procedures.² In March 2024, HEFPA was amended to address finality of certain utility charges, including back billing practices.

Effective June 19, 2024, Public Service Law (“PSL”) § 41, part of HEFPA, was amended to state, in relevant part, that if a utility “does not render a residential customer..., with the exception of a seasonal or short-term customer..., a monthly bill for gas and/or electric services used by such customer during that monthly period, or, in the case of bi-monthly meter reads, during that month and the prior month, within three months from the end date of such monthly billing period, then, such residential customer shall not be charged for such gas and electric services which were not billed... unless the failure of the corporation or municipality to bill sooner was not due to the neglect of the corporation or municipality or was due to the culpable conduct of the customer.”

Proposal:

Staff proposes to amend the Tariff to align with the HEFPA amendment. Specifically, the proposed Tariff changes prohibit the Authority from charging a residential customer, other than a seasonal customer or a Short-Term or Temporary Residential Customer, for electric services rendered during a billing period unless the Authority renders a bill to such residential customer for that billing period within three months from the end of such billing period.³ For example, if a monthly billing period runs from January 1 through January 30, the Authority must issue a bill for the January time period by April 30.

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

¹ N.Y. Pub. Serv. Law, Article 2. Pursuant to the Public Authorities Law, the Authority must “establish rules and regulations with respect to providing to its residential...customers those rights and protections provided in article two” of the Public Service Law.

² Customers in the LIPA service territory follow the Customer Complaint Procedures outlined in the Tariff rather than HEFPA.

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

Additionally, the proposed Tariff language states for Residential Customers that qualify as a Seasonal Customer and/or Short-Term or Temporary Customer, the Authority may not render a bill for previously unbilled service after twenty-four months from the time service to which the bill was provided. This provision shall not apply when the culpable conduct of a customer caused or contributed to the failure of the Authority to have rendered a timely or accurate billing.⁴

Staff also proposes to revise the Tariff's definitions for Residential Customers and Non-Residential Customers to define Residential Customers as all customers on residential rates, which may include, for example, buildings used for religious purposes, community residences, and veteran's organizations.⁵ Pursuant to this proposed change, the Authority would generally apply HEFPA provisions to all customers on residential rates, not only those customers that use electric service for a residential purpose unless otherwise specified in HEFPA.⁶

Finally, Staff propose to add consistent language in Section 1.C.11 of the Tariff to conform with other areas of the tariff that allow certain buildings, used by not-for-profit Veterans' Organizations, to opt-in to Residential rates.⁷

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

Affected Tariff Leaves: 14, 30 (for reference only), 31, 100, 101

Summary of Proposed Changes:

Staff is proposing to implement Tariff changes to be consistent with statutory amendments to HEFPA.

⁴ This proposed Tariff language is consistent with N.Y. Pub. Serv. Law §41(3).

⁵ See Tariff Section VIII(A)(1)(a) which defines a customer eligible for residential service, in relevant part, as "A Customer who will use the service for residential purposes or as specified in Section 76 of the Public Service Law, for religious purposes, a Community Residence, or a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization."

⁶ As noted above, PSL §41(1) specifically excludes seasonal and short-term customers.

⁷ See N.Y. Pub. Serv. Law §76.

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

Customer or Consumer: A person or any other entity who is approved for and supplied electric service by the Authority. Each Customer will have a unique account unless specified otherwise. (See *Applicant*. The term "Customer" may be used interchangeably with "Applicant.")

1. Core Customer
A Customer who has no alternatives to Authority-provided electric service or who, when given an alternative, chooses to accept Authority-provided electric service.
2. Existing Residential Customer
An Applicant who meets the requirements for residential service outlined in Section 1.C.11 and moves from one ~~residence~~ service location to another within the Authority's Service Area and for whom there is a recent payment history.
3. Residential Farm Customer
A Customer whose land is used in agricultural production as defined in subdivision four (4) of section three hundred one (301) of the agriculture and markets law with a farmhouse, together with other buildings or equipment used by its occupant to operate the farm, when connected to the same meter as the residential dwelling.
4. Full-Requirements Customer
A Customer whose electric power requirements are all supplied by the Authority.
5. New Non-Residential Customer
An Applicant who was not the last Customer at the serviced address, regardless of whether the Applicant was a former Customer or is a current Customer at a different address, and who does not meet the requirements for residential service outlined in Section 1.C.11 ~~use the serviced address as a residence~~.
6. New Residential Customer
An Applicant who meets the requirements for residential service outlined in Section 1.C.11 and who is new to the Authority's Service Area.
7. Non-Core Customer
A Customer who has an alternative(s) to Authority-provided electric service and chooses to use the alternative provider.
8. Non-Residential Customer
A ~~person, firm, or other entity~~ Customer engaged in commerce or the business of government, that does not meet the requirements for residential service outlined in Section 1.C.11. ~~use the service address as a residence~~.
9. Non-Residing Customer
A ~~person, firm, or other entity~~ Customer engaged in the development or building of residences or permanent dwellings that will not maintain residence at the service address.
10. Residing Customer
A Customer who uses the serviced address as their residence.

11. Residential Customer

~~A person, firm, or other entity~~ Customer, who meets the requirements for residential service outlined in Section 1.C.11.

I. General Information (continued):**C. General Terms and Conditions (continued):**8. Customer's Responsibilitya) To Notify the Authority of an Interruption of Service

The Customer shall notify the Authority as soon as reasonably possible of any interruption in the supply of electric current.

b) For Authority Property on Customer's Premises

The Customer shall be responsible for and protect the meter and other property of the Authority on the Customer's premises, and compensate the Authority for any damage to, or loss, or destruction of that property.

9. Ownership of Equipment On Customer's Premises

a) The Authority will own, maintain, and replace, if necessary, all the equipment it has installed to supply electricity, at its own expense, in or on the Customer's premises, unless otherwise agreed to in writing.

b) Equipment on the Customer's premises includes all meters, poles, wires, transformers, and other appliances needed to supply electricity.

10. Costs of Special Services on Customer's Premises

If the Authority performs work on the Customer's premises for which there is a charge to the Customer, the charge will be at the Cost to the Authority.

11. Requirements For Residential Service

a) Residential service applies to:

(1) An individual, separately-metered, single-family dwelling (including a houseboat),

(2) An individual, separately-metered flat or apartment, or other building where each dwelling is separately metered under an account in each occupant's name, or

(3) A two-family or three-family dwelling on a single meter when the customer of record resides at that dwelling.

(4) Portions of a two- or three-family dwelling used in common by all of the families (halls, stairs, cellars, oil burner, etc.), when connected to the meter of any apartment;
or

I. General Information (continued):**C. General Terms and Conditions (continued):
Requirements For Residential Service (continued)**

- (5) At the Customer's option, a building used mainly for religious purposes, including a school, even if nonreligious subjects are taught at the school, and
 - (a) The electric service is only used in connection with the religious purposes, and
 - (b) If new or not now classified as religious accounts, Applicants shall identify themselves and offer credentials for a religious classification, or
- (6) Accessory buildings or usage on the same premises as a residential dwelling, apartment on a residential rate, or building used for religious purposes that has elected to be on a residential rate, or
- (7) A Residential Farm Customer, or
- (8) At the Customer's option, a supportive/supervised living facility (community residence), as defined in Subdivisions 28, 28a or 28b of Section 1.03 of the Mental Hygiene Law:
 - (a) If the facility is operated by a not-for-profit corporation, and
 - (b) There are living accommodations for no more than fourteen (14) residents if supervisory staff is on the premises at all times, or
- (9) Part of the dwelling or building in 11.a.1-7 above when used as a business or for professional purposes other than farming, and
 - (a) Usage does not exceed one hundred (100) Kilowatt Hours per month for any two (2) consecutive months, and
 - (b) The premises is primarily a residence, and
 - (c) The business or professional use does not change the character or appearance of the premises, and
 - (d) The business or professional use, by an occupant of the premises, is limited to:
 - (1) A usual home occupation, including the sale of articles or products produced on the premises, but not including the operation of a store for the sale of other articles or products, or
 - (2) The renting of space in an accessory building for the storage of private automobiles, but not done as a business.
- (10) At the Customer's option, a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization.

IV. Billing Process and Payment of Bills (continued):

B. Computing a Customer's Bill

1. Service and Rate Classifications

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

2. Adjustments to Rates

The Authority may adjust rates or bills periodically for:

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

3. Applying Rate Changes to Customer's Bills

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

4. Backbilling

~~a) Backbilling Conditions~~

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

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

- b) For Residential Customers that qualify as a Seasonal Customer and/or Short-Term or Temporary Customer - Residential, the Authority may not render a bill for previously unbilled service after twenty-four months from the time service to which the bill pertains was provided. This provision shall not apply when the culpable conduct of a customer caused or contributed to the failure of the Authority to have rendered a timely billing.
- c) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- d) For Non-Residential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- e) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.

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

~~(1)~~ The Authority may backbill a Customer for service supplied before it sends the first bill, if the delay in billing:

~~(a)~~ Is up to but no more than six (6) months for Residential Customers, and

~~(b)~~ Was caused by the Authority's neglect, and

~~(c)~~ Was not caused by culpable conduct of the Customer.

~~(2)~~⁽¹⁾ The Authority may backbill Non-Residential a Customer for service supplied before it sends the first bill, if the delay in billing:

(a) Is up to but no more than twelve (12) months ~~for Nonresidential Customers~~, and

(b) Was caused by the Authority's neglect; and

(c) Was not caused by culpable conduct of the Customer.

~~(3)~~⁽²⁾ The Authority may backbill a Non-Residential Customer for service supplied up to but no more than twenty-four (24) months before it sends the first bill, if the delay in billing:

(a) Was not caused by the Authority's neglect, or

(b) Was not caused by culpable conduct of the Customer.

~~(4)~~⁽³⁾ For Residential Customers, the Authority will explain the reasons for the late billing in 1, and 3 above and offer the Customer, in writing, an installment payment plan for the amount owed. The installment plan will offer the Customer the lower down payment amount of these two (2) choices:

(a) One half (1/2) of the amount owed, or

(b) Three (3) months' average billing for that Customer.

~~(5)~~⁽⁴⁾ The Authority may backbill a Customer for service supplied up to but no more than six (6) years before it sends the first bill, if the delay in billing:

(a) Was caused by culpable conduct of the Customer, and

(b) Was not caused by the Authority's neglect.

