November 26, 2014

Mr. Paul Francis, Chairman
Utility Debt Securitization Authority
c/o Long Island Power Authority
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11553

Subject: Notice of Adjustment

Pursuant to the Restructuring Cost Financing Order of the Long Island Power Authority (“Authority”) dated October 3, 2013 (the “Financing Order”) and the Restructuring Property Servicing Agreement, dated as of December 18, 2013 (the “Servicing Agreement”), between the LONG ISLAND LIGHTING COMPANY, as Servicer, and the UTILITY DEBT SECURITIZATION AUTHORITY, the undersigned does hereby provide notice of an adjustment to the Charge to take effect on the Adjustment Date specified below.

Adjustment Date: January 1, 2015

Adjusted Charge: $0.003914 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the June 15th payment or the sum of the two payments due in 2015, as shown on the table below.

Respectfully,

John W. Little
Director of Strategic Planning and Rates
As Servicer to the Utility Debt Securitization Authority
Utility Debt Securitization Authority  
Securitization Charge to be Effective on January 1, 2015

<table>
<thead>
<tr>
<th>Expense Component</th>
<th>Payment Due</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Due</td>
<td>$0</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>Interest Due</td>
<td>$43,143,141</td>
<td>$86,286,283</td>
</tr>
<tr>
<td>Reserve Fund Earnings</td>
<td>-$5,056</td>
<td>-$10,112</td>
</tr>
<tr>
<td>Replenish Reserve Fund</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Additional Revenue through December 31st</td>
<td>-$35,586,059</td>
<td>$35,586,059</td>
</tr>
<tr>
<td>Ongoing Servicer fee</td>
<td>$505,581</td>
<td>$1,011,162</td>
</tr>
<tr>
<td>Administration Fees</td>
<td>$32,500</td>
<td>$65,000</td>
</tr>
<tr>
<td>Bond Administration Fees</td>
<td>$55,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>Bond Trustee Fees and Expenses</td>
<td>$7,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$17,500</td>
<td>$35,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$37,500</td>
<td>$75,000</td>
</tr>
<tr>
<td>Directors and Officers Insurance</td>
<td>$176,000</td>
<td>$352,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total to be Recovered</td>
<td>$8,393,108</td>
<td>$67,372,274</td>
</tr>
</tbody>
</table>

Allowance for Write-off at .743% (see note 1) $62,828 $504,323

Revenue to be Recovered $8,455,935 $67,876,598

kWhs (based on 39 Days Sales Outstanding) 6,429,219,910 17,343,963,906
Last Billing Date (see note 2) May 7, 2015 November 6, 2015

Securitization Charge (per kWh) $0.001315 $0.003914

Notes:
1) $62,828 / $8,455,935 = .743%  
   Write-off rate based on 12 months ending October 2014

2) Billings on November 6th will be received 39 days later on December 15  
   Billed sales reflect latest projections as of November 2014  
   Days Sales Outstanding based on 12 months ending October 2014
Required Distribution List:

**UDSA Trustees:**
Paul Francis  
Bruce Levy  
Robert Gurman

**Bond Administrator:**
LIPA  
333 Earle Ovington Blvd. Ste. 403  
Uniondale, NY 11782  
Attention: Bobbi O’Connor, Acting General Counsel

**Bond Trustee:**
The Bank of New York Mellon  
101 Barclay Street, Floor 7- West  
New York, NY 10286  
Attention: Frederic Belen

**Bond Issuer:**
Utility Debt Securitization Authority  
c/o Long Island Power Authority  
333 Earle Ovington Blvd. Ste. 403  
Uniondale, NY 11782  
Attention: Bobbi O’Connor, Acting General Counsel

**Allocation Agent:**
Long Island Power Authority

**Rating Agencies:**
Moody’s Investors Service, Inc.  
25th Floor, 7 World Trade Center, 250 Greenwich Street  
New York, New York 10007  
Attention: ABS/RMBS Monitoring Department

Standard & Poor’s Ratings Services  
55 Water Street  
New York, New York 10041  
Attention: Structured Credit Surveillance

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Attention: ABS Surveillance

**Electronic Municipal Market Access:**
Filed electronically by  
Christopher Reitzl  
Squire Sanders