LONG ISLAND POWER AUTHORITY

MINUTES OF THE 246th MEETING

HELD ON JANUARY 21, 2014

The Long Island Power Authority (the “Authority”) was convened for the two-hundred-and-forty sixth time at 11:05 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on January 16, 2014; and electronic notice posted on the Authority’s website.

The following Trustees of the Authority were present:

Ralph V. Suozzi, Chair
Elkan Abramowitz
Sheldon L. Cohen
Matthew Cordaro
Mark Fischl
Jeffrey H. Greenfield
Thomas J. McAteer
Suzette Smookler

Trustee Marc Alessi was not present.

Representing the Authority were John McMahon, Chief Operating Officer; Kenneth Kane, Interim Chief Financial Officer; Lynda Nicolino, General Counsel and Secretary; Paul DeCotis, Managing Director of Contract Oversight, and Michael Deering, Director of Communications & Clean Energy Program Oversight.

Chairman Suozzi called for a motion to accept the minutes of the November 26, 2013 meeting of the Board of Trustees, which was seconded. He asked if there were any changes or deletions. Upon hearing none, the resolution was then unanimously adopted by the Trustees.

Upon motion duly made and seconded, the following motion was approved:
RESOLVED, that the Minutes of the meeting of the Authority held on November 26, 2013 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Chairman Suozzi then remarked on the following items:

- The activities of the new LIPA Board related to ensuring that the mission and vision of LIPA under the LIPA Reform Act are realized and successful;
- The appointment of Trustees to one or more committees and recent and upcoming committee work;
- The proposed establishment of a Contract Oversight Committee to address matters related to PSEG Long Island’s (“PSEG-LI”) performance under the Amended and Restated Operation Services Agreement;
- The success of the transition to PSEG LI to date; and
- The Board’s desire to address the future issues confronting LIPA in a balanced manner and with stakeholder input.

Chairman Suozzi then turned the meeting over to Mr. McMahon for the COO’s Report.

Mr. McMahon commented on the following items:

- The re-organization of the LIPA staff; and
- Final reliability statistics for 2013 showing LIPA towards the top of the industry;

The Chair stated that the next item on the agenda is the presentation of the Operating Report which will be presented by our Service Provider, PSEG-LI President, Dave Daly. Also
reporting from PSEG-LI were John O’Connell, Vice President of T & D Operations, and Bill Johnson, Vice President of Business Services.

Mr. Daly reported on the following items:

- PSEG-LI’s preparation activities related to the impending snowstorm;
- PSEG LI’s mission, vision and objectives for 2014 related to safety, customer service, reliability, storm response and community involvement;
- The balanced scorecard approach to operations performance metrics; and
- Customer service issues related to call center operations, meter reading, billing and payment.

Next, Mr. Johnson reported on the following transition activities including:

- The launch of internal and external websites on Dec 31, 2013;
- The issuance of new computers to employees;
- The installation of new networks;
- The initiation of a service desk; and
- Successful execution of the first payroll.

Finally, Mr. O’Connell reported on the following items:

- A serious motor vehicle incident on January 16, 2014, involving a service vehicle and a passenger car which resulted in a fatality;
- The development of a new outage management system;
- The successful start of an enhanced vegetation management and associated communication program focused on prioritizing tree trimming activities;
- Work related to an enhanced equipment preventative maintenance program including prioritization of projects and additional substation maintenance plans; and
- The status of the Y-49 transmission cable outage caused by an anchor drag across the
cable field in the LI Sound, and NYPA’s repair activities as owner of the cable.

Mr. Daly concluded his report and took questions from the Trustees.

The Chair stated that the next item on the agenda is the Financial Report, to be presented by Mr. Kane.

Mr. Kane then presented the Financial Report, which included the financial results through December 31, 2013.

Mr. Kane concluded his report and took questions from the Trustees.

The Chair stated that the next item on the agenda is the consideration of approval of appointment of Chief Financial Officer.

After requesting a motion on the matter, which was seconded, the Chair indicated that the matter would be presented by Mr. McMahon.

After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was unanimously adopted by the Trustees:

1198. APPOINTMENT TO OFFICE OF CHIEF FINANCIAL OFFICER

RESOLVED, that Thomas Falcone be, and hereby is, appointed to the Office of Chief Financial Officer, effective on or about January 21, 2014 until the earlier of his resignation or removal; and be it further

RESOLVED, that the incumbent of the Office of Chief Financial Officer shall be an officer of the Long Island Power Authority (“Authority”) and its subsidiary, LIPA, within the meaning of the Authority’s enabling legislation (Chapter 517 of the Laws of 1986), as amended, including Section 1020-bb of the Public Authorities Law, and all other applicable laws.

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The Chair then allowed public comment to be heard, after which he announced that the next Board meeting is scheduled for February 26, 2014 at 11:00 a.m. in Uniondale. The Chair then asked for a motion to adjourn to Executive Session to discuss Litigation Matters involving the tax certiori proceedings, the cases involving the response to SuperStorm Sandy.
and other litigation matters.

1199. EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation related to tax certiorari proceedings, SuperStorm Sandy and other matters.

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At approximately 12:21 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session, which commenced at 12:24 p.m.

After noting that no votes were taken in the Executive Session, the Chair entertained a motion to adjourn, which was duly made and seconded, after which the meeting ended at 12:34 p.m.

Respectfully submitted,

Lynda Nicolino