Credit supports only the applicable Offered Bonds of a Series.

The payment of the principal of, interest on and Purchase Price of the Series 2012C Bonds will be supported by payments made under an irrevocable, direct-pay letter of credit (the “2012C Letter of Credit”) to be issued by TD Bank, N.A. (“TD Bank” and together with Barclays PLC, the “Banks”). Each Letter of Credit will be issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Offered Bonds under the book-entry-only system described herein.

The Offered Bonds are being issued for refunding purposes as described herein. The Offered Bonds of each Series are being issued as variable rate bonds initially in the Weekly Mode. This Official Statement describes the Offered Bonds only while issued as variable rate bonds initially in the Weekly Mode or Daily Mode.

Individual purchases of beneficial ownership interests in the Offered Bonds may be made in the principal amount of $100,000 or any integral multiple of $5,000 in excess thereof. Beneficial Owners of the Offered Bonds will not receive physical delivery of bond certificates. The Bank of New York Mellon, New York, New York, is the Trustee (the “Trustee”) under the Resolution.

The Offered Bonds are subject to optional redemption and mandatory sinking fund redemption and mandatory tender for purchase prior to maturity as described herein. The Offered Bonds are also subject, at the option of the Owner, to tender for purchase at the Purchase Price equal to par plus accrued interest as described herein. Interest on the Offered Bonds is payable on the first Business Day of each month commencing July 2, 2012. Barclays will serve as Remarketing Agent for the Series 2012C Bonds. Wells Fargo Bank, N.A. will serve as Remarketing Agent for the Series 2012D Bonds.

The Electric System General Revenue Bonds, Series 2012C (the “Series 2012C Bonds”) and Series 2012D (the “Series 2012D Bonds,” and collectively, the “Offered Bonds” and individually, each Series thereof the “Offered Bonds of a Series”) will be issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Offered Bonds under the book-entry-only system described herein.

The Offered Bonds are being issued for refunding purposes as described herein. The Offered Bonds of each Series are being issued as variable rate bonds initially in the Weekly Mode. This Official Statement describes the Offered Bonds only while bearing interest in the Weekly Mode or Daily Mode.

Individual purchases of beneficial ownership interests in the Offered Bonds may be made in the principal amount of $100,000 or any integral multiple of $5,000 in excess thereof. Beneficial Owners of the Offered Bonds will not receive physical delivery of bond certificates. The Bank of New York Mellon, New York, New York, is the Trustee (the “Trustee”) under the Resolution.

The Offered Bonds are subject to optional redemption and mandatory sinking fund redemption and mandatory tender for purchase prior to maturity as described herein. The Offered Bonds are also subject, at the option of the Owner, to tender for purchase at the Purchase Price equal to par plus accrued interest as described herein. Interest on the Offered Bonds is payable on the first Business Day of each month commencing July 2, 2012. Barclays will serve as Remarketing Agent for the Series 2012C Bonds. Wells Fargo Bank, N.A. will serve as Remarketing Agent for the Series 2012D Bonds.

The payment of the principal of, interest on and Purchase Price of the Series 2012C Bonds will be supported by payments made under an irrevocable, direct-pay letter of credit (the “2012C Letter of Credit”) to be issued by Barclays Bank PLC (“Barclays PLC”). The payment of the principal of, interest on and Purchase Price of the Series 2012D Bonds will be supported by payments made under an irrevocable, direct-pay letter of credit (the “2012D Letter of Credit,” and together with the 2012C Letter of Credit, the “Letters of Credit,” and each a “Letter of Credit”) to be issued by TD Bank, N.A. (“TD Bank” and together with Barclays PLC, the “Banks”). Each Letter of Credit supports only the applicable Offered Bonds of a Series.

The Offered Bonds are special obligations of the Authority payable principally from the revenues generated by the electric system owned by its subsidiary, LIPA, after the payment of operating expenses of the System, on a parity with other Electric System General Revenue Bonds and other Parity Obligations of the Authority. The Offered Bonds shall not be a debt of the State of New York or of any municipality, and neither the State of New York nor any municipality shall be liable thereon. The Authority shall not have the power to pledge the credit, the revenues or the taxing power of the State of New York or any municipality, and neither the credit, the revenues nor the taxing power of the State of New York or any municipality shall be, or shall be deemed to be, pledged to the payment of any of the Offered Bonds. The Authority has no taxing power.

The Offered Bonds are offered when, as and if issued and accepted by the respective Underwriters, subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters with respect to the Authority and LIPA will be passed upon by Lynda Nicolino, Esquire, General Counsel to the Authority and LIPA, and by Squire Sanders (US) LLP, New York, New York, Disclosure Counsel to the Authority and LIPA. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, New York, New York, Counsel to the Underwriters. It is expected that the Offered Bonds will be available for delivery in book-entry-only form through The Depository Trust Company in New York, New York on or about June 13, 2012.
$324,000,000
LONG ISLAND POWER AUTHORITY
ELECTRIC SYSTEM GENERAL REVENUE BONDS

$175,000,000 Series 2012C - CUSIP** 542690Z47
Barclays will be the Remarketing Agent for the Series 2012C Bonds. Payment of the principal of, interest on and Purchase Price of the Series 2012C Bonds will be supported by an irrevocable, direct-pay Letter of Credit issued by Barclays Bank PLC. The Series 2012C Bonds shall be subject to redemption in part by lot from the mandatory sinking fund installments specified below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Amount</th>
</tr>
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<tbody>
<tr>
<td>12/1/2030</td>
<td>$40,600,000</td>
</tr>
<tr>
<td>12/1/2031</td>
<td>42,460,000</td>
</tr>
<tr>
<td>12/1/2032</td>
<td>44,340,000</td>
</tr>
<tr>
<td>5/1/2033*</td>
<td>47,600,000</td>
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$149,000,000 Series 2012D - CUSIP** 542690Z21
Wells Fargo Bank, N.A. will be the Remarketing Agent for the Series 2012D Bonds. Payment of the principal of, interest on and Purchase Price of the Series 2012D Bonds will be supported by an irrevocable, direct-pay Letter of Credit issued by TD Bank, N.A. The Series 2012D Bonds shall be subject to redemption in part by lot from the mandatory sinking fund installments specified below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Amount</th>
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<tr>
<td>12/1/2027</td>
<td>$47,010,000</td>
</tr>
<tr>
<td>12/1/2028</td>
<td>49,620,000</td>
</tr>
<tr>
<td>12/1/2029*</td>
<td>52,370,000</td>
</tr>
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* Final maturity.
** CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Offered Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to the correctness of the CUSIP numbers on the Offered Bonds or as indicated above.
No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the offering of the Offered Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Offered Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information set forth herein has been furnished by the Authority and LIPA and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, LIPA, National Grid or KeySpan Corporation since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party.

Other than with respect to information concerning the respective Banks and contained under the caption “THE BANKS,” none of the information in this Official Statement has been supplied or verified by the Banks and the Banks make no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Offered Bonds, or (iii) the tax exempt status of the Offered Bonds.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate”, “project”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority’s and LIPA’s business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

In connection with the offering of the Offered Bonds, the Underwriters may overallocate or effect transactions that stabilize or maintain the market price of the Offered Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARY STATEMENT

The Authority

The Long Island Power Authority (the “Authority” or the “Issuer”) is a corporate municipal instrumentality and political subdivision of the State of New York. The Authority has a wholly-owned subsidiary, the Long Island Lighting Company, which does business under the name of LIPA (“LIPA”).

LIPA

LIPA owns and operates the electric transmission and distribution system located in its service area, which includes the New York Counties of Nassau and Suffolk (with certain limited exceptions) and a small portion of Queens County, New York known as the Rockaways. LIPA also owns an 18% interest in the Nine Mile Point 2 nuclear generating facility located in Oswego, New York.

The Purpose of the Offered Bonds

The Offered Bonds are being issued to refund certain outstanding subordinate lien and senior lien bonds of the Authority. See “PLAN OF FINANCE” herein.

The Letters of Credit

The payment of the principal of, interest on and Purchase Price of each Series of the Offered Bonds will be supported by payments made under an irrevocable, direct pay letter of credit issued for each Series by the following Banks: Series 2012C – Barclays Bank PLC and Series 2012D – TD Bank, NA. Each Letter of Credit will expire on June 12, 2015, unless extended prior to its expiration date. Each Letter of Credit will be issued in an amount equal to the aggregate principal amount of such Series which it supports, plus 49 days' interest calculated at the rate of twelve percent (12%) per annum.

Outstanding Indebtedness

As of June 1, 2012, the Authority had senior lien Electric System General Revenue Bonds outstanding in the aggregate principal amount of $5,853,002,280, which amount reflects principal payments made through that date. The Offered Bonds are on a parity with all of these senior lien Bonds. The Authority also had outstanding, as of June 1, 2012, subordinate lien indebtedness in the aggregate principal amount of $725,000,000, which amount reflects principal payments made through that date. As of June 1, 2012, LIPA was obligated to make payments on $155,420,000 of NYSERDA Financing Notes that KeySpan Corporation, a subsidiary of National Grid plc, is responsible for providing the funds to pay, which amount reflects principal payments made through that date. Also, the Authority currently expects to issue additional bonds to finance capital expenditures.

Authority to Set Electric Rates

Under current New York law, the Authority is empowered to set rates for electric service in its service area without being required to obtain the approval of the New York State Public Service Commission (“PSC”) or any other State regulatory.
body. However, the Authority has agreed with the Public Authorities Control Board of the State of New York (“PACB”) that, among other things, it will not impose any permanent increase in average customer rates over a 12 month period in excess of 2.5% without approval of the PSC. Legislation was recently enacted into law that requires LIPA to undergo an audit of its management and operations (the “2012 Legislation”). The 2012 Legislation does not impact the Authority’s ability to set rates for electric service in its service area and does not require the approval of the PSC or any other State regulatory body in the setting of its rates. See “RATES AND CHARGES” in the Authority’s Annual Report, which is included by specific cross-reference herein.

Rate Structure

The Authority has adopted a set of customer rates, which include base rates, the Fuel and Purchased Power Cost Adjustment (“FPPCA”) clause, and certain riders and credits. See “RATES AND CHARGES” in the Authority’s Annual Report, which is included by specific cross-reference herein.

Service Area

LIPA’s service area includes approximately 1.1 million customers and experienced its peak usage of approximately 5,771 MW in the summer of 2011. Approximately 52 percent of annual electric revenues are received from residential customers, with 43 percent coming from commercial/industrial customers, and the balance from sales to other municipalities and public authorities. LIPA’s largest customer, the Long Island Rail Road, accounts for less than two percent of LIPA’s total sales and less than two percent of revenue.

Transmission and Distribution Facilities

LIPA’s transmission system includes approximately 1,350 miles of overhead and underground lines with voltage levels ranging from 23 kV to 345 kV. The distribution system has approximately 13,745 circuit miles of overhead and underground line (9,047 overhead and 4,698 underground) and approximately 187,032 line transformers with a total capacity of approximately 12,275 MVA.

Power Supply Resources

LIPA’s power supply resources consist principally of various power purchase contracts. The principal power purchase contract is a Power Supply Agreement (PSA) under which LIPA obtains rights to and has obligations to pay for all of the capacity of the fossil-fueled on-Island generating facilities owned by National Grid. Those facilities provide approximately 4,000 MW in capacity. Such agreement entitles LIPA to purchase all of the energy produced by such facilities for its own customers or for resale to others. This Agreement has a term ending in 2013 and is renewable on similar terms. The PSA provides LIPA the option to reduce or “ramp-down” the capacity it purchases in accordance with schedules set forth in the PSA.
In addition, LIPA currently purchases approximately 2,200 MW of capacity from generating facilities on Long Island, elsewhere in New York, and outside of New York through various transmission interconnections between LIPA’s transmission and distribution system and other systems in the region.

LIPA also has an 18% ownership interest in the 1,148 MW Nine Mile Point 2 nuclear unit currently operated by Constellation Energy Nuclear Group, LLC, which owns the remaining 82% interest.

The Authority manages LIPA’s retail electric business and controls costs through a senior management team supported by a small staff.

The day-to-day operations of the electric system are accomplished through certain principal contracts including: (i) a Management Services Agreement (MSA) providing for operation of the transmission and distribution system, (ii) the PSA mentioned above, (iii) an Energy Management Agreement (EMA) providing for the management of LIPA’s fuel procurement for certain generating facilities, and (iv) a Fuel Management and Bidding Services Agreement (FMBSA) providing for additional management of LIPA’s fuel procurement at certain other facilities. Each such agreement is with a subsidiary of National Grid plc. KeySpan Corporation, a subsidiary of National Grid, has guaranteed the performance, and any payments, by these National Grid subsidiaries. In addition, on January 1, 2010, agreements with Consolidated Edison Energy, Inc. (“CEE”) and Pace Global Energy Risk Management, LLC (“Pace”) became operational for power supply resource management services formerly provided under the Energy Management Agreement.

To assist management in the supervision of these principal agreements and to provide other functions requiring specific expertise, the Authority employs outside consultants.

The MSA, PSA, EMA and FMBSA are set to expire by year-end 2013, with the PSA being subject to certain discretionary renewal rights of LIPA.

In May 2010, the Trustees engaged the Brattle Group/M.J. Beck to review the existing corporate organizational and governance structure and alternatives available to LIPA as part of its long-term strategic planning. Based on that study, on October 27, 2011, the Board of Trustees approved a plan to restructure the way LIPA contracts for services currently provided largely under the MSA by adopting a business model, which includes a dedicated business unit providing services exclusively to LIPA. On December 15, 2011, the Board of Trustees approved the selection of Public Service Electric Group (“PSEG”) and their subcontractor, Lockheed Martin Services Inc.
(“Lockheed Martin,” collectively with PSEG, “PSEG-Lockheed”) to provide operations services for a period of ten years commencing January 1, 2014 and transition services beginning January 1, 2012. In addition, in connection with those expiration dates, the Authority has also issued requests for proposals and is currently evaluating its options with respect to the PSA, EMA and FMBSA.

See “INTRODUCTION – Nature of Operations” herein.

Security and Sources of Payment for Bonds .................................................................

The Offered Bonds, all Bonds heretofore and hereafter issued on a parity therewith and all Parity Obligations will be payable from and secured by the Trust Estate pledged under the Authority’s Resolution, subject to the prior payment of Operating Expenses. The Trust Estate consists principally of the revenues generated by the operation of LIPA’s electric transmission and distribution system.

The Bond Resolution contains a basic flow of funds, including a Rate Stabilization Fund, but does not require specific periodic advance deposits to be made into, or specific balances maintained in, the various funds and accounts.

Additional Bonds may be issued without any historical or projected debt service coverage test and, in the case of Refunding Bonds, without compliance with any debt service savings test.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Remarketing Agents for the Offered Bonds ............................................................... Series 2012C – Barclays; and Series 2012D – Wells Fargo Bank, N.A.

Trustee for the Offered Bonds ......................... The Bank of New York Mellon
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MAIN BODY

of the

OFFICIAL STATEMENT

of the

LONG ISLAND POWER AUTHORITY

Relating to its

$324,000,000

LONG ISLAND POWER AUTHORITY

Electric System General Revenue Bonds

consisting of

$175,000,000 Series 2012C

$149,000,000 Series 2012D

INTRODUCTION

The $324,000,000 Electric System General Revenue Bonds, Series 2012C and 2012D (the “Offered Bonds”), are being issued by Long Island Power Authority (the “Authority”) pursuant to the Long Island Power Authority Act, being Title 1-A of Article 5 (§ 1020 et seq.) of the Public Authorities Law of the State of New York, as amended (the “Act”), and the Electric System General Revenue Bond Resolution of the Authority adopted on May 13, 1998 (the “Bond Resolution”), as heretofore supplemented and as supplemented by resolutions of the Authority authorizing the Offered Bonds (the “Supplemental Resolution”). The Bond Resolution, as supplemented to the date hereof, including as supplemented by the Supplemental Resolution and as it may be further supplemented or amended in the future, is herein called the “Resolution.”

As of June 1, 2012, the Authority had outstanding $5,853,022,280 of senior lien bonds, all of which were issued under the Bond Resolution (the “Outstanding Senior Lien Bonds”), which amount reflects principal payments made through that date. The Offered Bonds will be on a parity as to security and source of payment with the Outstanding Senior Lien Bonds. The Authority has the ability to issue under the Bond Resolution additional senior lien bonds, and other obligations (“Parity Obligations”), that will be on a parity as to security and source of payment with the Outstanding Senior Lien Bonds and the Offered Bonds. As used in this Official Statement, the term “Bonds” means the Outstanding Senior Lien Bonds, the Offered Bonds and all additional senior lien bonds, notes or other evidence of indebtedness and Parity Obligations of the Authority hereafter issued under the Resolution which are on a parity as to security and source of payment. The Bonds have priority as to security and payment over the Subordinated Indebtedness mentioned in the next paragraph and over the NYSERDA Financing Notes mentioned in the second following paragraph.

The Authority also had outstanding $725,000,000 of subordinate lien indebtedness (the “Outstanding Subordinated Lien Bonds”) as of June 1, 2012, which amount reflects principal payments made through that date and includes $200,000,000 of Commercial Paper Notes issued and outstanding under the Authority’s $300,000,000 Commercial Paper program. The Outstanding Subordinated Lien Bonds were all issued under the Authority’s Electric System General Subordinated Revenue Bond Resolution adopted on May 20, 1998 (the “General Subordinated Resolution”) and various supplemental resolutions (the General Subordinated Resolution, as so supplemented, is herein called the “Subordinated Resolution”). The Authority has the ability to issue under the General Subordinated Resolution additional subordinated lien bonds and other obligations that will be on a parity as to security and source of payment with the Outstanding Subordinated Lien Bonds. As used in this Official Statement, the term “Subordinated Indebtedness” means the Outstanding Subordinated Lien Bonds and all other subordinated lien bonds, notes or other evidence of indebtedness of the Authority issued pursuant to the
Subordinated Resolution which are on a parity as to security and source of payment. All Subordinated Indebtedness is, in all respects, on a junior and subordinate basis as to security and source of payment to the Bonds.

Pursuant to the Bond Resolution, the Authority is also obligated to provide funds to LIPA for LIPA to pay principal and interest on $155,420,000 principal amount of LIPA’s NYSERDA Financing Notes. This obligation of the Authority is subordinate to the obligations of the Authority to pay, when due, operating expenses, the Bonds and the Subordinated Indebtedness. For a further description of the NYSERDA Financing Notes and certain promissory notes issued by KeySpan Corporation (the “KeySpan Promissory Notes”) which provide the Authority with funds equal to the amounts due on these obligations, see “DEBT SERVICE” in this Main Body.

Capitalized terms not otherwise defined in this Official Statement (including Appendix 5 hereto) have the meanings set forth in the Glossary of Defined Terms, which is on file with EMMA and included by specific cross-reference herein.

Nature of Operations

The Authority, as owner of the transmission and distribution system located in the New York State Counties of Nassau and Suffolk (with certain limited exceptions) and a small portion of Queens County known as the Rockaways (“Service Area”), is responsible for supplying electricity to customers within the Service Area. The Authority has contracted with KeySpan Energy Corporation (“KeySpan”), a wholly owned subsidiary of National Grid plc, to provide the majority of services necessary to operate the Authority’s transmission and distribution system. The Authority pays KeySpan directly and KeySpan, in turn, pays the salaries of its employees and fees of its contractors and suppliers. In 2011 and 2010, the Authority paid to KeySpan approximately $2 billion each year under operating agreements, which includes all fees under such agreements, reimbursement for various taxes and PILOTS, certain fuel and purchased power costs, capital projects, conservation services, research and development and various other expenditures authorized by the Authority. In addition, the Authority contracts with two other service providers to manage certain fuel related services.

Under the Management Services Agreement (“MSA”), KeySpan provides operations and management services related to the transmission and distribution system. In 2006, the Authority amended the MSA and certain other Operating Agreements. The Amended and Restated MSA has a term that expires on December 31, 2013. In anticipation of the expiration of the Amended and Restated MSA on December 31, 2013, the Authority conducted a competitive procurement seeking a vendor to provide the services currently provided under the MSA. In December 2011, the Board of Trustees approved the selection of Public Service Enterprise Group (“PSEG”) as the new service provider (together with their subcontractor, Lockheed Martin Services Inc.) to take over the operation of the transmission and distribution System beginning January 1, 2014 under a new Long Island based company (“PSEG LI”) that will focus exclusively on services to the Authority. In January 2012, the Authority and PSEG LI executed an Operations Services Agreement (“OSA”) for a scheduled term of ten years beginning January 1, 2014, which is subject to the appropriate regulatory approvals. In addition, the Authority and PSEG LI have executed a Transition Services Agreement (“TSA”) for a term of approximately two years that requires PSEG LI to perform a variety of specified activities in order to position itself to assume responsibility to provide operation services under the OSA on January 1, 2014.

Under the Power Supply Agreement (“PSA”), KeySpan provides capacity and energy from the fossil fired generating plants of KeySpan. The PSA has a term that expires on May 28, 2013. The Authority is currently evaluating a request for proposal for up to 2500 MW of capacity in anticipation of the expiration of the existing PSA. In addition, the Authority is evaluating it existing options under the PSA which includes, among other things, a unilateral option to renew the PSA, with KeySpan, for a 15 year term under substantially similar terms and conditions.

Under the Energy Management Agreement and the Fuel Management and Bidding Services Agreement, KeySpan provides fuel management services for the generating facilities located on Long Island including those owned by National Grid and others under contract with the Authority. The existing services provided under these Agreements with KeySpan expire May 2013. As with the MSA and PSA, the Authority is currently evaluating its alternatives and recently issued a request for proposals in connection therewith. Certain other services, namely “mid-office” and “back-office” operations related to commodity hedging activities are managed by two other providers through contracts that commenced on January 1, 2010 for a five-year period. These contracts are subject to an extension for a period of five years at the Authority’s option.
INFORMATION INCLUDED BY SPECIFIC CROSS-REFERENCE

The following documents filed with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB) by the Authority are included by specific cross-reference in this Supplement:

• The Authority’s Annual Report for the Fiscal Year 2011 (which includes the Authority’s Basic Financial Statements December 31, 2011 and 2010 (With Independent Auditors’ Report Thereon) and Management’s Discussion and Analysis (Unaudited));
• Interim Financial Information of the Authority as of March 31, 2012 and March 31, 2011 (Unaudited);
• Document Summaries, including:
  • Glossary of Defined Terms;
  • Summary of Certain Provisions of the Resolution;
  • Summary of Certain Provisions of the Financing Agreement; and
  • Summary of Certain Provisions of the Operating Agreements.

For convenience, copies of these documents can be found on the Authority’s website (www.lipower.org) under the caption “About LIPA – Financials.” No statement on the Authority’s website is included by specific cross-reference herein.

PLAN OF FINANCE

The Offered Bonds are being issued for the purpose of (i) refunding $25,000,000 principal amount of the Authority’s Electric System Subordinated Revenue Bonds, Series 1A (the “Series 1A Bonds”), the entire outstanding principal amount of its Electric System Subordinated Revenue Bonds, Series 2A (the “Series 2A Bonds”) in the aggregate principal amount of $50,000,000, and the entire outstanding principal amount of its Electric System Subordinated Revenue Bonds, Series 3B (the “Series 3B Bonds”) in the aggregate principal amount of $100,000,000, (the Series 1A Bonds, Series 2A Bonds, and the Series 3B Bonds herein referred to collectively as the “Refunded Subordinate Bonds”), and (ii) refunding the entire outstanding principal amount of its Electric System General Revenue Bonds, Series 2003J (the “Series 2003J Bonds”) in the aggregate principal amount of $47,000,000, the entire outstanding principal amount of its Electric System General Revenue Bonds, Series 2003N (the “Series 2003N Bonds”) in the aggregate principal amount of $47,000,000, and the entire outstanding principal amount of its Electric System General Revenue Bonds, Series 2003H (the “Series 2003H Bonds” and together with the Series 2003J Bonds and the Series 2003N Bonds, the “Refunded Senior Bonds”) in the aggregate principal amount of $55,000,000.

In summer 2012, the Authority also expects to issue approximately $400,000,000 of federally tax-exempt, fixed rate Senior Lien Bonds (the “Series 2012A Bonds and Series 2012B Bonds”). The proceeds of the Series 2012A and Series 2012B Bonds are expected to be used (i) to fund Authority capital expenditures and (ii) to refund certain outstanding bonds of the Authority.

DEBT SERVICE

The table on the following page shows information regarding the Authority’s consolidated debt service requirements following the issuance of the Offered Bonds (based on the assumptions in the footnotes to said table), including debt service payable on the NYSERDA Financing Notes. It also shows the amounts to be paid to LIPA by KeySpan Corporation and one or more of its subsidiaries (the “Promissory Note Obligors”) under the KeySpan Promissory Notes. Payments under the KeySpan Promissory Notes are general revenues of LIPA pledged under the Financing Agreement to the Authority and are not dedicated to the payment of any NYSERDA Financing Notes. For a description of the NYSERDA Financing Notes and KeySpan Promissory Notes, see the Authority’s Annual Report that is included by specific cross-reference herein.
### DEBT SERVICE

<table>
<thead>
<tr>
<th>Twelve Months Ended</th>
<th>Offered Bonds</th>
<th>Outstanding Senior Lien(7)</th>
<th>Total Senior Lien Debt Service</th>
<th>Subordinate Lien(5)(7)</th>
<th>NYSERDA Debt Promissory Net Total Debt</th>
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<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Principal(1)</td>
<td>Interest(2)(3)(4)</td>
<td>Service(1)</td>
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</table>

(1) The Series 2010A Bonds mature in 2014 ($96,665,000) and 2015 ($96,660,000), while the bonds refunded by the Series 2010A Bonds had scheduled principal payments in the years 2027 through 2029; the Authority’s current expectation is to refinance the Series 2010A Bonds at maturity with indebtedness that matures on a similar basis as the bonds refunded.

(2) Accreted interest on capital appreciation bonds is shown in the year of maturity.

(3) Variable rate bonds with associated floating-to-fixed rate swaps are assumed to pay interest at the fixed swap rate. Unhedged variable rate bonds are assumed to pay interest at the rate of 2.60% for 2012, 3.00% for 2013, 3.50% for 2014, and 4% for 2015 and thereafter. The interest payments on variable rate bonds also include certain ongoing fees (e.g. liquidity fees, remarketing agent fees), which are assumed at current levels through maturity. Expected net receipts under certain basis swaps are not shown as offsets to debt service.

(4) Interest has not been reduced on the Series 2010B Bonds to reflect expected receipt of “build America bonds” interest rate cash subsidies equal to 35% of the interest payable; such cash subsidies constitute Revenues under the Resolution.

(5) Does not include the Authority's outstanding Commercial Paper Notes, which as of June 1, 2012, the Authority had $200 million issued and outstanding under its $300 million Commercial Paper program. Assuming interest at a rate of 3.5% per annum, maintaining this level of outstanding Commercial Paper would result in an additional $7 million per year of debt service interest.

(6) KeySpan Promissory Notes are payable to LIPA 30 days prior to the applicable due dates on the NYSERDA Financing Notes in an amount equal to the principal of and interest on such notes.

(7) Amounts shown do not reflect the issuance of the Series 2012A and Series 2012B Bonds or the results of the refunding of any refunded bonds in conjunction with the issuance of the Series 2012A Bonds and Series 2012B Bonds.
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Under the MSA, the Manager is required to bill and collect such fees, rates, rents and charges for the use and services of the T&D System as are established by the Authority in accordance with the Resolution and the Act.

Since LIPA owns the System, the Financing Agreement contains covenants as to the operation and maintenance of the System, and the Resolution contains covenants of the Authority to enforce the Financing Agreement and assigns to the Trustee certain of the Authority’s rights and interests under the Financing Agreement, including the right to bring actions and proceedings for the enforcement of the Financing Agreement.

Pledge of Trust Estate

The Resolution pledges the Trust Estate for the payment of the Bonds and all Parity Obligations, subject to the provisions of the Resolution, the Act and the Financing Agreement permitting certain applications of the Trust Estate and subject to the prior payment of Operating Expenses.

The Resolution authorizes the application of Revenues to certain purposes free and clear of the lien of the pledge. These applications include payment of Operating Expenses from the Operating Expense Fund prior to the deposit of Revenues in the Debt Service Fund. In addition, the Resolution provides that amounts on deposit in the Rate Stabilization Fund may be used for any lawful purpose of the Authority or LIPA, and amounts retained in the Revenue Fund may be used for any lawful purpose of the Authority or LIPA, as determined by the Authority.

The principal items in the Trust Estate pledged by the Resolution include:

(i) all payments received by the Authority from LIPA under the Financing Agreement, and all rights to receive the same;
(ii) all Revenues and all right, title and interest of the Authority in and to Revenues, and all rights of the Authority to receive the same;
(iii) the proceeds of sale of Bonds until expended for the purposes authorized by the Supplemental Resolution authorizing such Bonds; and
(iv) all funds, accounts and subaccounts established by the Resolution, including securities credited thereto and investment earnings thereon.

The Authority covenants in the Resolution that it will not, and will not permit LIPA to, issue any bonds, notes or other evidences of indebtedness or otherwise incur any indebtedness, other than Bonds or Parity Obligations, secured by a pledge of or other lien or charge on the Trust Estate which is prior to or of equal rank or priority with the pledge made by the Resolution, and that it will not create or cause to be created any lien or charge on the Trust Estate which is prior to or of equal rank or priority with the pledge made by the Resolution.

Payment of Revenues Pursuant to Financing Agreement

Under the Financing Agreement, LIPA transfers to the Authority all of its right, title and interest in and to the Revenues, including all right to collect and receive the same, subject to the provisions of the Financing Agreement and the Resolution providing for the application of Revenues, and consents to the assignment by the Authority to the Trustee of its interest therein.

Revenues are defined in the Resolution to mean all revenues, rates, fees, charges, surcharges, rents, proceeds from the sale of LIPA assets, proceeds of insurance, and other income and receipts, as derived in cash, directly or indirectly from any of LIPA’s operations, by or for the account of the Authority or LIPA including but not limited to all payments received by the Authority or LIPA with respect to Keyspan Promissory Notes, any guaranty of performance under any System Agreement and all dividends received by the Authority as a result of ownership of any stock or other evidence of an equity interest in LIPA; provided, however, that Revenues shall not include (i) any Transition Charge (as defined below), (ii) any such income or receipts attributable directly or indirectly to the ownership or operation of any Separately Financed Project, or (iii) any federal or State grant
moneys the receipt of which is conditioned upon their expenditure for a particular purpose unless the Authority determines that such moneys constitute Revenues. Revenues also do not include any amounts, or amounts from any sources, as may be specified from time to time by Supplemental Resolution; provided, however, that at such time the applicable additional Bonds tests of the Resolution will be satisfied (whether or not the tests are then required to be met for other purposes) without regard to such amounts. Transition Charge means any rates, fees, charges or surcharges relating to the T&D System or the customers thereof established by irrevocable rate order or other action or instrument, and applicable to or by the Authority or LIPA, in conjunction with the issuance of debt or other securities under a separate resolution, indenture or similar instrument (other than the Resolution) to the extent such rates, fees, charges or surcharges are pledged or otherwise encumbered or conveyed as security for such debt or other securities.

**Funds**

The Resolution establishes the following Funds: the Construction Fund; the Revenue Fund; the Operating Expense Fund; the Debt Service Fund; the Parity Contract Obligations Fund; the Subordinated Indebtedness Fund; the LIPA Unsecured Debt Fund; the PILOTs Fund; and the Rate Stabilization Fund, all to be held by or on behalf of the Authority with the exception of the Debt Service Fund, which is to be held by the Trustee.

**Flow of Funds**

The Authority is required by the Resolution, as promptly as practicable after receipt thereof by LIPA, to deposit all Revenues in the Revenue Fund. Amounts on deposit from time to time in the Revenue Fund shall be withdrawn and deposited in the following order of priority:

**FIRST:** to the Operating Expense Fund, the amount determined by the Authority from time to time to be deposited to pay, or to be set aside therein as a reserve for the payment of, Operating Expenses;

**SECOND:** (A) to the Debt Service Fund, the amounts required to pay or provide for the payment of the Principal Installments and Redemption Price of and interest on Bonds and Parity Reimbursement Obligations; and

(B) to the Parity Contract Obligations Fund, the amount determined by the Authority to be required to be deposited therein to pay or provide for the payment of Parity Contract Obligations;

**THIRD:** if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST and SECOND, to the Subordinated Indebtedness Fund, the amount determined by the Authority to be required to be deposited therein to pay or provide for the payment of Subordinated Indebtedness;

**FOURTH:** if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST, SECOND or THIRD above, to the LIPA Unsecured Debt Fund, the amount determined by the Authority to be required to be deposited therein to pay or provide for the payment of Outstanding LIPA Unsecured Debt (including NYSERDA Financing Notes);

**FIFTH:** if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST, SECOND, THIRD or FOURTH above, to the PILOTs Fund, the amount determined by the Authority to be required to be deposited in such Fund to pay or provide for the payment of PILOTs; and

**SIXTH:** if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST, SECOND, THIRD, FOURTH or FIFTH, to the Rate Stabilization Fund, the amount determined by the Authority to be deposited therein to provide for any payments or deposits from Revenues thereafter.

Any moneys remaining in the Revenue Fund may be used for any lawful purpose of the Authority or LIPA, as determined by the Authority, including, but not limited to, the purchase or redemption of any bonds, notes or other obligations of the Authority or LIPA.
The Trustees have stated a goal of maintaining cash balances, including the Rate Stabilization Fund, of $250 million. Such balances have fluctuated in the past and are expected to fluctuate from time to time in the future.

**Rate Covenant**

The Authority covenants in the Resolution to establish and maintain System fees, rates, rents, charges and surcharges sufficient in each Fiscal Year so that Revenues reasonably expected to be produced in such Fiscal Year will be at least equal to the sum of:

(i) 100% of Debt Service, and amounts under all Parity Contract Obligations, payable by the Authority in such Fiscal Year;

(ii) 100% of the Operating Expenses payable in such Fiscal Year;

(iii) 100% of the amount necessary to pay all PILOTs payable in such Fiscal Year; and

(iv) 100% of the amount necessary to pay other Required Deposits, all other payments required pursuant to the Resolution and the Financing Agreement, and all other payments required for the System, for such Fiscal Year.

If at any time such fees, rates, rents, charges and surcharges are or will be insufficient to meet the Rate Covenant, it will not constitute an Event of Default if and to the extent the Authority promptly takes action reasonably expected by the Authority to cure or avoid any such deficiency or to cause the same to be cured or avoided. In addition, the failure in any Fiscal Year to comply with the covenant in clauses (iii) and (iv) above (the “non-debt service and operating expense rate covenant”), will not constitute an Event of Default if the Authority retains a Rate Consultant and a Consulting Engineer for the purpose of reviewing System fees, rates, rents, charges and surcharges and reviewing the System Budget and complies with the following sentence. If the Rate Consultant (relying upon a certificate of the Consulting Engineer) is of the opinion that a schedule of fees, rates, rents, charges and surcharges for the T&D System which would provide funds to meet the requirements specified in the non-debt service and operating expense rate covenant is impracticable at that time and the Authority therefore cannot comply with the non-debt service and operating expense rate covenant, then the Authority will fix and establish such schedule of System fees, rates, rents, charges and surcharges as is recommended in such certificate by the Rate Consultant to comply as nearly as practicable with the non-debt service and operating expense rate covenant, and in such event the failure of the Authority to comply with the non-debt service and operating expense rate will not constitute an Event of Default.

For purposes of the Rate Covenant, at any time, (i) Revenues include any amounts withdrawn or expected to be withdrawn thereafter in any Fiscal Year from the Rate Stabilization Fund which were either (a) on deposit therein prior to such Fiscal Year or (b) proceeds of Bonds or Subordinated Indebtedness issued to fund the Shoreham Credits, (ii) Revenues do not include any proceeds from the sale of LIPA assets or proceeds of insurance, and (iii) Debt Service, Parity Contract Obligations, PILOTs and other Required Deposits will not include any amounts expected by the Authority to be paid from any funds, other than Revenues, reasonably expected by the Authority to be available therefore (including without limitation the anticipated receipt of proceeds of sale of Bonds or Subordinated Indebtedness, or moneys not a part of the Trust Estate, expected by the Authority to be used to pay the principal of Bonds, Parity Contract Obligations, Outstanding LIPA Unsecured Debt or Subordinated Indebtedness, other than proceeds of Bonds or Subordinated Indebtedness issued to fund the Shoreham Credits), which expectations, if included in a resolution of the Authority or Certificate of an Authorized Representative, will be conclusive.

In addition, the Authority covenants in the Resolution to review, or cause LIPA to review, the adequacy of System fees, rates, rents, charges and surcharges at least annually. Except to the extent required by law, the Authority covenants not to permit LIPA to furnish or supply or cause to be furnished or supplied any product, use or service of the System free of charge (or at a nominal charge) to any person, firm or corporation, public or private, unless the Authority determines that other adequate consideration has been, or is expected to be, received in
connection therewith, and to cause LIPA to enforce or cause to be enforced the payment of any and all amounts owing to LIPA for use of the System in accordance with the Financing Agreement.

**Additional Bonds Test**

There is no limit or test for the issuance of additional Bonds under the Resolution.

**Subordinated Indebtedness; Acceleration of Subordinated Indebtedness**

There is no limit or test for the issuance of Subordinated Indebtedness under the Resolution.

Subordinated Indebtedness is subject to acceleration prior to maturity upon the occurrence of certain events.

Such accelerations would not cause an acceleration of the Bonds or affect the priority of the application of Revenues to the payment of the Bonds. In such an event any amounts then available under the Resolution after the payment of Operating Expenses and Debt Service on any Bonds and Parity Contract Obligations could be required to be applied to the payment of the Subordinated Indebtedness.

**The Letters of Credit**

*The 2012C Letter of Credit*

The 2012C Letter of Credit will be issued by Barclays PLC pursuant to the Reimbursement Agreement dated as of June 1, 2012 (the “2012C Reimbursement Agreement”), between the Authority and Barclays PLC. This summary does not purport to be a complete description or restatement of the material provisions of the 2012C Letter of Credit. The following summarizes certain provisions of the 2012C Letter of Credit, to which document reference is made for the complete provisions thereof. A summary of certain provisions of the 2012C Reimbursement Agreement is set forth in Appendix 2 hereof. The provisions of any substitute credit facilities may be different from those summarized below.

The 2012C Letter of Credit is an irrevocable obligation of Barclays PLC. The 2012C Letter of Credit will be issued in an amount equal to the sum of the principal amount of the Series 2012C Bonds at the date of remarketing plus interest thereon at the rate of 12% per annum (the “Cap Interest Rate”) for a period of forty-nine (49) days based on a year of 365 days. The Trustee, upon compliance with the terms of the 2012C Letter of Credit, is authorized to draw up to (a) an amount sufficient (i) to pay the principal of the Series 2012C Bonds when due, whether at maturity or upon redemption, and (ii) to pay the portion of the purchase price of the Series 2012C Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarshaled (a “Liquidity Drawing”) equal to the principal amount of the Series 2012C Bonds, plus (b) an amount not to exceed 49 days’ of accrued interest on the Series 2012C Bonds at the Cap Interest Rate (i) to pay interest on the Series 2012C Bonds when due, and (ii) to pay the portion of the purchase price of the Series 2012C Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarshaled, equal to the interest accrued, if any, on such Series 2012C Bonds. No drawing shall be made under the 2012C Letter of Credit for Bank Bonds (as defined in the 2012C Reimbursement Agreement) and the Series 2012C Bonds bearing interest at a rate other than the Daily Rate or the Weekly Rate.

The amount available to be drawn under the 2012C Letter of Credit will be reduced to the extent of any drawing thereunder, subject to reinstatement as described below. With respect to any drawing to pay interest on the Series 2012C Bonds (an “Interest Drawing”), the amount available under the 2012C Letter of Credit will be automatically reinstated on the fifth (5th) Business Day following such drawing unless the Trustee has received notice from Barclays PLC by telecopy or in writing on or before the close of business on the fourth (4th) Business Day following such drawing that Barclays PLC has not been reimbursed for such drawing or any other Event of Default under the 2012C Reimbursement Agreement has occurred and as a consequence thereof, the 2012C Letter of Credit will not be reinstated. With respect to a Liquidity Drawing, the 2012C Letter of Credit will automatically be reduced by an amount equal to the amount of said drawing. Prior to the 2012C Conversion Date (as defined below) upon a remarketing of any Series 2012C Bonds (or portions thereof) previously purchased with the proceeds
of such Liquidity Drawing, Barclays PLC’s obligation to honor drawings under the 2012C Letter of Credit will be automatically reinstated upon receipt by Barclays PLC of an amount equal to the Original Purchase Price of such Series 2012C Bonds (or portion thereof); the amount of such reinstatement shall be equal to the Original Purchase Price of such Series 2012C Bonds (or portions thereof). “Original Purchase Price” shall mean the principal amount of any Series 2012C Bonds purchased with the proceeds of a Liquidity Drawing plus the amount of accrued interest on such Series 2012C Bonds paid with the proceeds of a Liquidity Drawing (and not pursuant to an Interest Drawing) upon such purchase.

The 2012C Letter of Credit will terminate on the earliest of Barclays PLC’s close of business on (a) its stated expiration date (originally June 12, 2015 unless renewed or extended); (b) the earlier of (i) the date which is one (1) Business Day following the date on which all of the Series 2012C Bonds have been converted to bear interest at a rate other than the Daily Rate or the Weekly Rate (the “2012C Conversion Date”) or (ii) the date on which Barclays PLC honors a Liquidity Drawing under the 2012C Letter of Credit on or after the 2012C Conversion Date; (c) the date which is one (1) Business Day following receipt by Barclays PLC from the Trustee specifying that no the Series 2012C Bonds remain outstanding, all drawings required to be made under and available under the 2012C Letter of Credit have been made and honored, or that a substitute credit facility has been issued in substitution for the 2012C Letter of Credit and (d) the date which is fifteen (15) days following the date the Trustee receives a written notice from Barclays PLC specifying the occurrence of an “Event of Default” under the 2012C Reimbursement Agreement and directing the Trustee to cause a mandatory tender or mandatory redemption of the Series 2012C Bonds.

The 2012D Letter of Credit

The 2012D Letter of Credit will be issued by TD Bank pursuant to the Reimbursement Agreement dated as of June 1, 2012 (the “2012D Reimbursement Agreement”), between the Authority and TD Bank. This summary does not purport to be a complete description or restatement of the material provisions of the 2012D Letter of Credit. The following summarizes certain provisions of the 2012D Letter of Credit, to which document reference is made for the complete provisions thereof. A summary of certain provisions of the 2012D Reimbursement Agreement is set forth in Appendix 2 hereof. The provisions of any substitute credit facilities may be different from those summarized below.

The 2012D Letter of Credit is an irrevocable obligation of TD Bank. The 2012D Letter of Credit will be issued in an amount equal to the sum of the principal amount of the Series 2012D Bonds at the date of remarketing plus interest thereon at the rate of 12% per annum (the “Cap Interest Rate”) for a period of forty-nine (49) days based on a year of 365 days. The Trustee, upon compliance with the terms of the 2012D Letter of Credit, is authorized to draw up to (a) an amount sufficient (i) to pay the principal of the Series 2012D Bonds when due, whether at maturity or upon redemption, and (ii) to pay the portion of the purchase price of the Series 2012D Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarshaled (a “Liquidity Drawing”) equal to the principal amount of the Series 2012D Bonds, plus (b) an amount not to exceed 49 days’ of accrued interest on the Series 2012D Bonds at the Cap Interest Rate (i) to pay interest on the Series 2012D Bonds when due, and (ii) to pay the portion of the purchase price of the Series 2012D Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarshaled, equal to the interest accrued, if any, on such Series 2012D Bonds. No drawing shall be made under the 2012D Letter of Credit for Bank Bonds (as defined in the 2012D Reimbursement Agreement) and the Series 2012D Bonds bearing interest at a rate other than the Daily Rate or the Weekly Rate.

The amount available to be drawn under the 2012D Letter of Credit will be reduced to the extent of any drawing thereunder, subject to reinstatement as described below. With respect to any drawing to pay interest on the Series 2012D Bonds (an “Interest Drawing”), the amount available under the 2012D Letter of Credit will be automatically reinstated on the seventh (7th) Business Day following such drawing unless the Trustee has received notice from TD Bank prior to such time that TD Bank has not been reimbursed in full for such drawing or any other Event of Default under the 2012D Reimbursement Agreement has occurred and as a consequence thereof, the 2012D Letter of Credit will not be reinstated. With respect to a Liquidity Drawing, the 2012D Letter of Credit will automatically be reduced by an amount equal to the amount of said drawing. Prior to the 2012D Conversion Date (as defined below) upon a remarketing of any Series 2012D Bonds (or portions thereof) previously purchased with the proceeds of such Liquidity Drawing, TD Bank’s obligation to honor drawings under the 2012D Letter of Credit
will be automatically reinstated in an amount set forth in a reinstatement certificate concurrently upon receipt by TD Bank of such reinstatement certificate and the amount set forth therein.

The 2012D Letter of Credit will terminate on the earliest of TD Bank’s close of business on (a) its stated expiration date (originally June 12, 2015 unless renewed or extended); (b) the earlier of (i) the date which is one (1) Business Day following the date on which all of the Series 2012D Bonds have been converted to bear interest at a rate other than the Daily Rate or the Weekly Rate (the “2012D Conversion Date”) or (ii) the date on which TD Bank honors a Liquidity Drawing under the 2012D Letter of Credit on or after the 2012D Conversion Date; (c) the date which is one (1) Business Day following receipt by TD Bank from the Trustee specifying that no the Series 2012D Bonds remain outstanding, all drawings required to be made under and available under the 2012D Letter of Credit have been made and honored, or that a substitute credit facility has been issued in substitution for the 2012D Letter of Credit and (d) the date which is fifteen (15) days following the date the Trustee receives a written notice from TD Bank specifying the occurrence of an “Event of Default” under the 2012D Reimbursement Agreement and directing the Trustee to cause a mandatory tender or mandatory redemption of the Series 2012D Bonds.

The Reimbursement Agreements

A summary of certain provisions of each Reimbursement Agreement is contained in Appendix 2 hereto. It does not purport to be complete or definitive and is qualified in its entirety by reference to each Reimbursement Agreement, which should be read in its entirety.

Direct-Pay Credit Facility Drawing Account

Because each Letter of Credit is a Direct-Pay Credit Facility with respect to the Offered Bonds of each Series, the following provisions shall apply with respect to the Offered Bonds of such Series:

The Certificate of Determination creates and establishes separate accounts for the Offered Bonds of such Series, to be held by the Trustee for the benefit of the Holders of the Offered Bonds of such Series, a Direct-Pay Credit Facility Drawing Account and a Payment and Reimbursement Account. The Direct-Pay Credit Facility Drawing Account and the Payment and Reimbursement Account shall be established outside of the Debt Service Fund and shall be held by the Trustee.

The Authority shall transfer amounts that are sufficient to make payments of principal and Redemption Price of and interest on the Offered Bonds of a Series as and when the same shall become due and payable for deposit in the Debt Service Fund in accordance with the Resolution, and the Trustee shall on or prior to the related date on which principal is payable or the related Interest Payment Date transfer such payments from the Debt Service Fund to the related Payment and Reimbursement Account, regardless of whether (x) a draw is made under such Direct-Pay Credit Facility and (y) the issuer of such Direct-Pay Credit Facility honors a draw thereunder.

The Trustee shall take all action necessary to draw or make a claim on the related Direct-Pay Credit Facility in accordance with the provisions of such Direct-Pay Credit Facility, in such amounts, at such times, and in such manner as shall be necessary to pay the principal and Redemption Price (including, to the extent amounts are available therefor under the Direct-Pay Credit Facility, from Sinking Fund Installments) of and interest on all Offered Bonds of a Series payable therefrom as and when the same shall become due and payable. The Trustee shall promptly deposit into the related Direct-Pay Credit Facility Drawing Account all moneys so drawn by the Trustee under the related Direct-Pay Credit Facility, which shall not be commingled with any other moneys held by the Trustee and which shall be applied to the payment of such principal, Redemption Price and interest. If such a draw is required, the provision of indemnification under the Resolution shall not be a condition precedent to such draw or any payment therefrom.

The Trustee shall make payments of principal or Redemption Price of and interest on the Offered Bonds of such Series to their Owners in the manner provided for in the Resolution from the moneys deposited in the related Direct-Pay Credit Facility Drawing Account pursuant to the Certificate of Determination. If sufficient funds are not available in the related Direct-Pay Credit Facility Drawing Account, the Trustee shall apply other moneys, if any, available in the related Payment and Reimbursement Account, to the extent necessary to make such payment. If the principal or Redemption Price of and interest on the Series of Bonds has been paid in full when due and all
payments required to be made under the Direct-Pay Credit Facility have been made, the Trustee shall apply remaining moneys, if any, available in the Payment and Reimbursement Account in an amount not to exceed the amount of the draw or borrowing under the Direct-Pay Credit Facility to reimburse the issuer of the Direct-Pay Credit Facility for such draw or borrowing after such draw or borrowing has been honored by the issuer of the Direct-Pay Credit Facility.

Amounts held in each Direct-Pay Credit Facility Drawing Account shall not be deemed to be as part of the Trust Estate and shall be held uninvested and separate and apart from all other funds and accounts solely for the benefit of the Holders of the applicable Offered Bonds of a Series.

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THE BANKS

Certain Information Concerning Barclays Bank PLC

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the “Group”) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated A+ by Standard & Poor's Credit Market Services Europe Limited, Aa3 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2011, the Group had total assets of £1,563,402 million (2010: £1,490,038 million), total net loans and advances\(^1\) of £478,726 million (2010: £465,741 million), total deposits\(^2\) of £457,161 million (2010: £423,777 million), and total shareholders' equity of £65,170 million (2010: £62,641 million) (including non-controlling interests of £3,092 million (2010: £3,467 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2011 was £5,974 million (2010: £6,079 million) after credit impairment charges and other provisions of £3,802 million (2010: £5,672 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2011.

The delivery of the information concerning Barclays Bank PLC and the Group herein shall not create any implication that there has been no change in the affairs of Barclays Bank PLC and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays Bank PLC is responsible only for the information contained in this section of the Official Statement and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Official Statement. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Official Statement.

\(^1\) Total net loans and advances include balances relating to both bank and customer accounts.

\(^2\) Total deposits include deposits from bank and customer accounts.

Certain Information Concerning TD Bank

TD Bank, N.A. (“TD Bank” or the “Bank”) is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank (“TD”) and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer, trust and insurance agency services. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of March 31, 2012, the Bank had consolidated assets of $193.1 billion, consolidated deposits of $157.5 billion and stockholder's equity of $27.5 billion, based on regulatory accounting principles.
Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the “SEC”), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at http://www.sec.gov, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The 2012D Letter of Credit has been issued by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey  08034
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at https://cdr.ffiec.gov/public. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD’s financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to under this sub-heading is correct as of any time subsequent to its date.

DESCRIPTION OF THE OFFERED BONDS

General

The Offered Bonds of each Series will be dated the date of their initial delivery (the “Closing Date”). The Series 2012C Bonds will mature on May 1, 2033. The Series 2012D Bonds will mature on December 1, 2029. The Offered Bonds of each Series will be issued as variable rate bonds initially in the Weekly Mode. Interest on the Offered Bonds while in the Weekly Mode is payable on the first Business Day of each month commencing July 2, 2012 calculated on the basis of a 365/366 day year for the actual number of days elapsed. The interest rate Mode applicable to the Offered Bonds of each Series may be converted to various other Modes, however, this Official Statement describes the Offered Bonds only while bearing interest in the Weekly Mode or Daily Mode.

Securities Depository

Upon initial issuance, the Offered Bonds will be available only in book-entry form. The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the Offered Bonds, and the ownership of one fully registered bond for each maturity of Offered Bonds in the principal amount of such maturity will be registered in the name of Cede & Co., as nominee for DTC, and deposited with DTC. See Appendix 4 of this Official Statement for a description of DTC and its book-entry-only system that will apply to the Offered Bonds.
As long as the book-entry system is used for the Offered Bonds, The Bank of New York Mellon, New York, New York (the “Trustee”) and the Authority will give any notice required to be given owners of Offered Bonds only to DTC. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS FOR THE DIRECT DTC PARTICIPANT THROUGH WHOSE DTC ACCOUNT ITS BENEFICIAL OWNERSHIP INTEREST IS RECORDED TO RECEIVE NOTICES THAT MAY BE CONVEYED TO DIRECT DTC PARTICIPANTS AND INDIRECT DTC PARTICIPANTS.

Denominations; Medium, Method and Place of Payment of Principal and Interest; and Dating

The Offered Bonds shall be issued in the form of fully registered bonds in Authorized Denominations. The Offered Bonds shall be issued in denominations of $100,000 and any integral multiple of $5,000 in excess thereof. The principal of and premium, if any, and interest on the Offered Bonds of each Series shall be payable in lawful money of the United States of America. Accrued and unpaid interest on the Offered Bonds that are not Bank Bonds shall be due on the Interest Payment Dates and payable by wire transfer of immediately available funds to the account specified by the Owner in a written direction received by the Trustee on or prior to a Record Date or, if no such account number is furnished, by check mailed by the Trustee to the Owner at the address appearing on the books required to be kept by the Trustee pursuant to the Bond Resolution, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of Offered Bonds of a Series, upon the written request of such Owner to the Trustee, received on or prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest when due shall be made by wire transfer of immediately available funds. Any such direction or request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. The principal of and premium, if any, on the Offered Bonds shall be payable on its Principal Payment Date, upon surrender thereof at the office of the Trustee.

Interest

General. Interest on Offered Bonds of a Series in the shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed to the Interest Payment Date. Absent manifest error, the interest rates for Offered Bonds of a Series contained in the records of the Trustee shall be conclusive and binding upon the Authority, the Remarketing Agent, the Tender Agent, the Trustee, the Bank and the Owners.

Each Bank Bond shall bear interest on the outstanding principal amount thereof, and on the amount (if any) of accrued and unpaid interest thereon paid by the Bank as part of the Purchase Price of such Bond (the “Interest Component”), at the Bank Interest Rate with respect to (i) the principal amount thereof, for each day from and including the date such Bond becomes a Bank Bond to, but not including, the date such Bond is paid in full or is remarshaled, and (ii) the Interest Component, as provided in the applicable Reimbursement Agreement. The Owner of Offered Bonds of a Series other than the Bank shall be paid (and shall be obligated to pay as part of the price paid by such Owner in connection with the remodeling to it of such Bond) interest thereon for an Interest Period only in the amount that would have accrued thereon at the rate or rates as established in the Bond Resolution, as applicable, regardless of whether such Bond was a Bank Bond during any portion of such Interest Period. Accrued interest in respect to any Bank Bond shall be payable to the Bank on each Interest Payment Date applicable thereto; provided that any Differential Interest Amount due to the Bank upon a re-marketing of Offered Bonds of a Series shall be paid by the Authority at the times specified in the applicable Reimbursement Agreement. For purposes of the preceding sentence “Differential Interest Amount” means the excess of (a) interest which has accrued on Bank Bonds at the Bank Interest Rate up to but excluding the Business Day on which such Bank Bonds are purchased from the Bank or other Bank Bondholder, less (b) the interest accrued on such Bonds received by the Bank or other Bank Bondholder as part of the Sale Price as therein described.

No Offered Bonds of a Series other than a Bank Bond may bear interest at an interest rate higher than the Maximum Rate. All Bank Bonds shall bear interest at the applicable Bank Interest Rate.

Daily Mode—Determination of Interest Rate. The interest rate for any Offered Bonds of a Series in the Daily Mode shall be the rate of interest per annum determined by the Remarketing Agent on or before 9:30 a.m. on the Rate Determination Date (each Business Day) as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then-existing market conditions, result in the sale of the Offered Bonds of the Series in the Daily Mode on the Rate Determination Date at a price equal to the principal amount thereof, plus
accrued interest, if any. With respect to any day that is not a Business Day, the interest rate shall be the same rate as the interest rate established for the immediately preceding Business Day. The determination of each interest rate by the Remarketing Agent shall in the absence of manifest error, be conclusive and binding upon the Remarketing Agent, the Tender Agent, the Trustee, the Credit Facility Issuer, the Liquidity Facility Issuer, the Authority and the Owners.

Weekly Mode—Determination of Interest Rate. The interest rate for the Offered Bonds of such Series for the initial Interest Period shall be the rate of interest per annum set forth in the forepart of the Certificate of Determination. For any Interest Period that is not an initial Interest Period, the interest rate for Offered Bonds of a Series during the Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then-existing market conditions, result in the sale of the Offered Bonds of the Series in the Weekly Mode on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The Remarketing Agent shall make the rate available by Electronic Means to each other Notice Party by 4:00 p.m., on the Rate Determination Date. For a Weekly Rate which has a Rate Determination Date that occurs on a Monday, the Weekly Rate is effective from Tuesday to Monday. For a Weekly Rate which has a Rate Determination Date that occurs on a Tuesday, the Weekly Rate is effective from Wednesday to Tuesday. For a Weekly Rate which has a Rate Determination Date that occurs on a Wednesday, the Weekly Rate is effective from Thursday to Wednesday. For a Weekly Rate which has a Rate Determination Date that occurs on a Thursday, the Weekly Rate is effective from Friday to Thursday. For a Weekly Rate which has a Rate Determination Date that occurs on a Friday, the Weekly Rate is effective from Monday to Friday. The determination of each interest rate by the Remarketing Agent shall be conclusive and binding, in the absence of manifest error, upon the Remarketing Agent, the Tender Agent, the Trustee, the Credit Facility Issuer, the Liquidity Facility Issuer, the Authority and the Owners.

Alternate Rate for Interest Calculation. In the event (i) the Remarketing Agent fails to determine the interest rate(s) or Interest Periods with respect to the Offered Bonds of a Series, or (ii) the method of determining the interest rate(s) or Interest Periods with respect to the Offered Bonds of a Series shall be held to be unenforceable by a court of law of competent jurisdiction, the Offered Bonds of a Series shall thereupon, (i) in the case of Offered Bonds in the Daily Mode, be automatically converted to a Weekly Mode, and (ii) in the case of Bonds in the Weekly Mode, bear interest at the Alternate Rate for subsequent Interest Periods until such time as the Remarketing Agent again makes such determination or until there is delivered to the Authority, the Remarketing Agent and the Trustee a Favorable Opinion of Bond Counsel.

Changes in Mode. Any Mode may be changed to any other Mode at the times and in the manner hereinafter provided in the Certificate of Determination. Subsequent to such change in Mode, the Offered Bonds of the Series may again be changed to a different Mode at the times and in the manner as provided in the Certificate of Determination.

Notice of Intention to Change Mode. No later than the 15th day preceding the Mode Change Date, the Authority shall give written notice to the Notice Parties of its intention to effect a change in the Mode from the Mode then prevailing (the “Current Mode”) to another Mode (the “New Mode”) specified in such written notice, together with the proposed Mode Change Date.

General Provisions Applying to Changes from One Mode to Another.

1. The Mode Change Date must be a Business Day.

2. On or prior to the date the Authority provides the notice to the Notice Parties, the Authority shall deliver to the Trustee (i) a letter from Bond Counsel acceptable to the Trustee and addressed to the Trustee (with a copy to all other Notice Parties) to the effect that it expects to be able to deliver a Favorable Opinion of Bond Counsel on the Mode Change Date and (ii), if applicable, a letter from a Liquidity Facility Issuer and Credit Facility Issuer indicating that the then current Reimbursement Agreement and/or Credit Facility provides coverage for such New Mode and their willingness to increase the amount of the Reimbursement Agreement and Credit Facility, respectively, to the Liquidity and Credit Amount, if any, to be applicable during the New Mode.
3. No change in Mode will become effective unless all conditions precedent thereto have been met and any required items shall have been delivered to the Trustee and the Remarketing Agent by 2:30 p.m., or such later time as is acceptable to the Authority, the Trustee and the Remarketing Agent, on the Mode Change Date:

4. In no event shall Offered Bonds of a Series be converted to a Daily Rate Mode or a Term Rate Mode (as defined in the Resolution) without the written consent of the issuer of the Credit Facility and the issuer of the Reimbursement Agreement.

5. If all conditions to the Mode Change are met, the Interest Period(s) for the New Mode shall commence on the Mode Change Date and the Interest Rate(s) shall be determined by the Remarketing Agent.

Partial Mode Changes and Subseries Designations.

1. Less than all of the Offered Bonds of a Series then subject to a particular Mode may be converted to another Mode, subject to the requirements, if any, of the Reimbursement Agreement; provided, however, that in such event such Series shall be re-designated into one or more subseries for each separate Mode with a new CUSIP number for each subseries and further provided that preceding such an event written confirmation of the rating on such Series is provided by the Rating Agency or Rating Agencies then rating the Offered Bonds of such a Series.

2. If less than all of the Offered Bonds of a Series then subject to a particular Mode are converted to another Mode, the particular Offered Bonds of a Series or portions thereof which are to be converted to a new Mode shall be selected by the Trustee in its discretion subject to the provisions hereof regarding Authorized Denominations of Offered Bonds of a Series subject to such new Mode.

3. To the extent that Bonds of any Series are issued in or re-designated into one or more subseries, references herein to Offered Bonds of a Series shall be deemed to refer to Bonds of such subseries.

Optional Redemption

Offered Bonds of a Series in the Daily Mode or Weekly Mode shall be subject to redemption at the option of the Authority, in whole or in part, on any Business Day, at the Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date.

Special Mandatory Redemption

Offered Bonds of a Series shall be subject to special mandatory redemption on a Business Day at a Redemption Price equal to the principal amount thereof, plus accrued and unpaid interest thereupon. Such Offered Bonds of a Series shall be subject to special mandatory redemption upon receipt by the Trustee of a notice of termination of the applicable Liquidity Facility from the applicable Bank issuing the related Liquidity Facility pursuant to the terms of such Liquidity Facility, directing that the Offered Bonds of such Series be so redeemed. Such Redemption Price shall be due and payable immediately without any further notice.
Redemption from Sinking Fund Installments

The Offered Bonds of a Series shall be subject to redemption in part by lot from the mandatory sinking fund installments therefor specified below.

Sinking Fund Installments

<table>
<thead>
<tr>
<th>Date</th>
<th>Series 2012C</th>
<th>Date</th>
<th>Series 2012D</th>
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<tr>
<td>December 1, 2030</td>
<td>$40,600,000</td>
<td>December 1, 2027</td>
<td>$47,010,000</td>
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<tr>
<td>December 1, 2031</td>
<td>42,460,000</td>
<td>December 1, 2028</td>
<td>49,620,000</td>
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<tr>
<td>December 1, 2032</td>
<td>44,340,000</td>
<td>December 1, 2029</td>
<td>52,370,000*</td>
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<tr>
<td>May 1, 2033</td>
<td>47,600,000*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Final Maturity

In the event a principal amount of the Offered Bonds of a Series is deemed to be no longer Outstanding, except by scheduled sinking fund redemption as described above, such principal amount shall be applied to reduce the remaining sinking fund installments for such respective Offered Bonds of a Series in such order and amounts as is determined by an Authorized Representative of the Authority.

Redemption of Bank Bonds

The Bank Bonds of a Series shall be subject to optional and mandatory redemption under the same terms and conditions as provided with respect to other Offered Bonds of such Series and as required by the applicable Reimbursement Agreement or Liquidity Facility.

Redemption in Part; Bank Bonds To Be Redeemed First

In the event of redemption of less than all the Offered Bonds of a Series, then the particular Bonds of such Series or portions thereof to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine; provided, however, the Offered Bonds of such Series to be redeemed shall be in Authorized Denominations; and provided further that in the event of any partial redemption of Offered Bonds of a Series, the Trustee shall first select for redemption all then Outstanding Bank Bonds prior to selecting for redemption any Offered Bonds of such Series which are not Bank Bonds. The Trustee shall promptly give the Liquidity Facility Issuer and the Remarketing Agent notice by telephone of the selection of any Bank Bonds for redemption pursuant to the foregoing provision. New Offered Bonds of the Series representing the unredeemed balance of the principal amount thereof shall be issued to the Owner thereof, without charge therefor.

Notice of Redemption

Except as described above under “Special Mandatory Redemption,” notice of the redemption of each Offered Bond of a Series shall be mailed by the Trustee, or if the Trustee shall so direct, by the Tender Agent, not less than twenty (20) calendar days with respect to Bonds in a Weekly Mode or a Daily Mode nor not more than forty five (45) days prior to the date fixed for the redemption thereof, by first class mail, postage prepaid, to the Owner of such Bond at his address as it appears on the registry books as of the forty-fifth (45th) day (whether or not a Business Day) next preceding the redemption date. The failure of the Owner of an Offered Bond of a Series to receive such notice by mail or any defect in such notice will not affect the sufficiency of the proceedings for the redemption thereof. The Trustee shall furnish the form of such notice to the Tender Agent.
Any notice of optional redemption shall state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the Redemption Price, plus interest accrued to the Redemption Date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Owners of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Optional Tenders of Offered Bonds in Daily Mode and Weekly Mode

(a) Any Offered Bond of a Series (or portions thereof in Authorized Denominations) in the Daily Mode that are not Bank Bonds or Bonds owned by, or for the account of or on behalf of the Authority or an Affiliate thereof, or LIPA or an affiliate thereof are subject to purchase, on the demand of the Owner thereof, at a price equal to the Purchase Price on any Business Day (such purchase to be made on the Business Day upon which such demand is made), upon irrevocable telephonic notice to the Tender Agent and the Remarketing Agent (promptly confirmed in writing by such Owner, delivered to the Tender Agent and the Remarketing Agent by telecopier by 11:00 a.m., New York City time, at their respective Principal Offices) which states the number and principal amount of such Bond being tendered and the Purchase Date. Such tender notice, once transmitted to the Tender Agent, shall be irrevocable with respect to the tender for which such tender notice was delivered and such tender shall occur on the Business Day specified in such Tender Notice. The Tender Agent shall, as soon as practicable, notify the Trustee of the principal amount of Bonds of the Series being tendered. The contents of any such irrevocable telephonic tender notice shall be conclusive and binding on all parties.

(b) The Owners of Offered Bonds of a Series in a Weekly Mode that are not Bank Bonds or Bonds owned by, or for the account of or on behalf of the Authority or an Affiliate thereof, or LIPA or an affiliate thereof may elect to have such Bonds (or portions thereof in Authorized Denominations) purchased at a price equal to the Purchase Price upon delivery of an irrevocable written notice of tender, or irrevocable telephonic notice of tender to the Tender Agent and Remarketing Agent, promptly confirmed in writing to the Tender Agent and the Remarketing Agent at their respective Principal Offices, not later than 4:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by the Owner. Such notice shall (i) state the number and the principal amount of such Bond being tendered and (ii) state that such Bond shall be purchased on the Purchase Date so specified by the Owner. The Tender Agent shall notify the Trustee by the close of business on the next succeeding Business Day of the receipt of any notice pursuant to this paragraph.

(c) Notwithstanding anything herein to the contrary, during any period that the Offered Bonds of a Series are registered in the name of DTC or a nominee thereof pursuant to the Resolution, (i) any notice of tender delivered pursuant to the Certificate of Determination shall also (A) provide evidence satisfactory to the Tender Agent and the Remarketing Agent that the party delivering the notice is the beneficial owner or a custodian for the beneficial owner of the Offered Bonds referred to in the notice, and (B) if the beneficial owner is other than a DTC Participant, identify the DTC Participant through whom the beneficial owner will direct transfer; (ii) on or before the Purchase Date, the beneficial owner must direct (or if the beneficial owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Bond on the records of DTC; and (iii) it shall not be necessary for Offered Bonds of a Series to be physically delivered on the date specified for purchase thereof, but such purchase shall be made as if such Bonds had been so delivered, and the purchase price thereof shall be paid to DTC. In accepting a notice of tender of any Offered Bond of a Series pursuant to the Certificate of Determination, the Trustee and the Tender Agent may conclusively assume that the person providing the notice of tender is the beneficial owner of the Offered Bonds being tendered and therefore entitled to tender them. The Trustee and Tender Agent assume no liability to anyone in accepting a notice of tender from a person whom it reasonably believes to be such a beneficial owner of the Offered Bonds of the Series.

Mandatory Purchase on Any Mode Change Date

Except for Bank Bonds or Offered Bonds held by the Authority, LIPA or an affiliate of either the Authority or LIPA, the Offered Bonds of a Series to be changed to any Mode from any other Mode are subject to mandatory tender for purchase on the Mode Change Date at the Purchase Price.
Mandatory Purchase Upon Expiration Date, Termination Date and Substitution Date

The Offered Bonds of a Series shall be subject to mandatory tender for purchase on:

(i) the second Business Day preceding the Expiration Date of a Liquidity Facility, which second Business Day is hereinafter referred to as an “Expiration Tender Date”;

(ii) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of a Credit Facility or a Liquidity Facility, which fifth calendar day is hereinafter referred to as a “Termination Tender Date”, if the Liquidity Facility permits a draw thereon on the Termination Tender Date;

(iii) the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the issuer of a Direct-Pay Credit Facility that such Direct-Pay Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Offered Bonds of such Series, which fifth calendar day is hereinafter referred to as a “Interest Non-Reinstatement Tender Date”; and

(iv) the Substitution Date for a Credit Facility (other than a bond insurance policy securing Offered Bonds of a Series in a Term Mode or a Fixed Rate Mode) or a Liquidity Facility.

Notice of Mandatory Tender for Purchase

(i) The Trustee shall, at least fifteen (15) days prior to the Expiration Tender Date with respect to Offered Bonds of a Series, give notice of the mandatory tender of the Offered Bonds of such Series on such Expiration Tender Date if it has not theretofore received confirmation that the Expiration Date has been extended.

(ii) Upon receipt of a written notice from the Credit Facility Issuer or Liquidity Facility Issuer of the occurrence and continuance of an event that would constitute an Event of Default pursuant to the related Reimbursement Agreement that would require the Trustee to cause a mandatory tender and purchase, the Trustee shall within one (1) Business Day give notice of the mandatory tender of the Offered Bonds of such Series on such Termination Tender Date if it has not theretofore received from the Credit Facility Issuer or Liquidity Facility Issuer a notice stating that the event which resulted in the Credit Facility Issuer's or Liquidity Facility Issuer's giving notice of the Termination Date has been cured and that the Credit Facility Issuer or Liquidity Facility Issuer has rescinded its election to terminate the Credit Facility or Liquidity Facility, respectively. Notwithstanding anything to the contrary in the Certificate of Determination, such notice shall be given by Electronic Means capable of creating a written notice. Any notice given substantially as described herein shall be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(iii) Upon receipt of a written notice from the issuer of a Direct-Pay Credit Facility that such Direct-Pay Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Offered Bonds of such Series, the Trustee shall within one (1) Business Day give notice of the mandatory tender of the Offered Bonds of such Series on such Interest Non-Reinstatement Tender Date if it has not theretofore received from the issuer of the Direct-Pay Credit Facility a notice stating that the Direct-Pay Credit Facility has been reinstated to an amount equal to the interest component of the Liquidity and Credit Amount. Notwithstanding anything to the contrary in the Certificate of Determination, such notice shall be given by Electronic Means capable of creating a written notice. Any notice given substantially as described herein shall be conclusively presumed to have been duly given, whether or not actually received by each Owner.

(iv) The Trustee shall, at least fifteen (15) days prior to any Substitution Date with respect to a Liquidity Facility relating to any Bonds, give notice of the mandatory tender of such Bonds on such Substitution Date.

(v) The Trustee shall at least fifteen (15) days prior to any Mode Change Date give notice of the mandatory tender for purchase of such Bonds on such Mode Change Date.
Except as otherwise provided in the Certificate of Determination, notice of any mandatory tender of Offered Bonds of a Series shall state that such Bonds are to be purchased, shall be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of Bonds of the Series at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase shall identify the reason for the mandatory tender for purchase, and specify the Mandatory Purchase Date, the Purchase Price, the place and manner of payment, that the Owner has no right to retain such Bonds and that no further interest will accrue from and after the Mandatory Purchase Date to such Owner. In the event a mandatory tender of Offered Bonds of a Series shall occur at or prior to the same date on which an optional tender for purchase is scheduled to occur, the terms and conditions of the applicable mandatory tender for purchase shall control. The Trustee shall give a copy of any notice of mandatory tender given by it to the other Notice Parties. Any notice mailed as provided in the Certificate of Determination shall be conclusively presumed to have been duly given, whether or not the Owner of any Bond receives the notice, and the failure of such Owner to receive any such notice shall not affect the validity of the action described in such notice.

Remarketing of Offered Bonds of a Series: Notices

Remarketing of Offered Bonds of a Series. The applicable Remarketing Agent for Offered Bonds of a Series shall offer for sale and use its best efforts to find purchasers for (i) all Offered Bonds of such Series or portions thereof as to which notice of tender pursuant to the Certificate of Determination has been given and (ii) all Bonds required to be tendered for purchase. No Offered Bonds of a Series shall be remarketed after a notice of mandatory tender has been provided pursuant to the Certificate of Determination and before the Mandatory Purchase Date. Any Offered Bonds of a Series purchased pursuant to the Certificate of Determination shall not be remarketed unless the Credit Facility or Liquidity Facility with respect to which there has occurred an Expiration Date, Termination Date or Substitution Date has been extended, reinstated or replaced by an Alternate Credit Facility or Alternate Liquidity Facility, as applicable, which is in effect. No Offered Bonds of a Series shall be remarked to the Authority or LIPA, or any affiliate of the Authority or LIPA, nor shall any Bank Bonds be remarked unless (i) the Liquidity Facility has been or will be, immediately upon the receipt of such remarketing proceeds and any Differential Interest Amount, reinstated by the amount of the reduction that occurred when such Bonds became Bank Bonds or (ii) an Alternate Liquidity Facility shall be effective as of such remarketing.

Notice of Remarketing; Registration Instructions; New Bonds.

(i) The Remarketing Agent shall notify the Tender Agent by Electronic Means not later than 12:00 noon on the Purchase Date or Mandatory Purchase Date of the registration instructions (i.e., the names of the tendering Owners and the names, addresses and taxpayer identification numbers of the purchasers, the desired Authorized Denominations and any account number for payment of principal and interest furnished by a purchaser to the Remarketing Agent) with respect thereto; and

(ii) Unless otherwise permitted by the Securities Depository and the book-entry-only system applicable to a Series of Bonds, the Tender Agent shall authenticate and have available for delivery to the Remarketing Agent prior to 1:30 p.m. on the Purchase Date or Mandatory Tender Date new Offered Bonds of the Series for the respective purchasers thereof.

(iii) The Remarketing Agent shall employ its best efforts to provide notice to the Liquidity Facility Issuer, by telex, telegram or facsimile, in the form prescribed by the Liquidity Facility, on the date preceding the Purchase Date or Mandatory Purchase Date, of the principal amount of Offered Bonds of a Series to be tendered for which it did not have commitments for purchase as of 4:00 p.m. on such date.

Transfer of Funds; Draw on Liquidity Facility.

(i) The Remarketing Agent shall at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date, as the case may be, (x) notify the Authority, the Liquidity Facility Issuer, if any, and the Tender Agent by Electronic Means of the amount of tendered Offered Bonds of the Series that were successfully and were not successfully remarketed, and (y) confirm to the Tender Agent the transfer of the Purchase Price of remarked Bonds of the Series to the Tender Agent in immediately available funds at or before 12:20 p.m., such confirmation to include the pertinent Fed Wire reference number.
(ii) To the extent the Liquidity Facility is in effect, the Tender Agent shall request a draw on the Liquidity Facility, in accordance with the terms thereof, by 12:30 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, in an amount equal to the Purchase Price of all Bonds of the Series tendered or deemed tendered less the aggregate amount of remarketing proceeds transferred to the Tender Agent by the Remarketing Agent pursuant to the Certificate of Determination and shall cause the proceeds of such draw to be transferred to the Tender Agent by no later than 3:00 p.m.

(iii) To the extent a Liquidity Facility is in effect, the Tender Agent shall confirm to the Authority and the Trustee by 3:00 p.m. (close of business in the case of Offered Bonds of a Series in the Daily Mode) on the Purchase Date or Mandatory Purchase Date, receipt of the proceeds of any draw on the Liquidity Facility.

(d) Notice to the Issuer of Bank Bond Remarketing. The Remarketing Agent shall notify the Authority by Electronic Means of any proposed remarketing of Bank Bonds by the close of business on the Business Day preceding the proposed date of remarketing of such Bank Bonds.

Funds and Accounts

General. There is hereby established, and there shall be maintained with the Tender Agent for the Offered Bonds of each Series, a separate fund to be known as the “Purchase Fund”. The Tender Agent shall further establish a separate account within such Purchase Fund to be known as the “Liquidity Facility Purchase Account” and a separate account within such Purchase Fund to be known as the “Remarketing Proceeds Account.” To the extent that the Offered Bonds of a Series are re-designated into two or more subseries, the Tender Agent shall establish and maintain a separate Purchase Fund with separate accounts therein for the Offered Bonds of each such subseries.

Remarketing Proceeds Account. Upon receipt of the proceeds of a remarketing of Offered Bonds of a Series on a Purchase Date or Mandatory Purchase Date, the Tender Agent shall deposit such proceeds in the related Remarketing Proceeds Account for application to the payment of the Purchase Price of such Bonds. Notwithstanding the foregoing, upon receipt of the proceeds of a remarketing of Bank Bonds, the Tender Agent shall immediately pay such proceeds to or for the account of the related Liquidity Facility Issuer to the extent of any amount owing to the Liquidity Facility Issuer.

Liquidity Facility Purchase Account. Upon receipt by the Tender Agent of the proceeds of any draw on a Liquidity Facility supporting Offered Bonds of a Series that are transferred to such Tender Agent pursuant to the Certificate of Determination, the Tender Agent shall deposit such moneys in the related Liquidity Facility Purchase Account for application to the payment of the Purchase Price of Offered Bonds of such Series. Any amounts deposited in the Liquidity Facility Purchase Account for a Series of Bonds and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any Offered Bonds of such Series shall be returned immediately to the Liquidity Facility Issuer.

No Investment; Amounts Applied Solely to related Series. Amounts held by the Tender Agent in the Liquidity Facility Purchase Account and the Remarketing Proceeds Account relating to the Offered Bonds of a Series shall not be deemed as part of the Trust Estate and shall be held uninvested and separate and apart from all other funds and accounts. Amounts so held or available to be drawn under the Liquidity Facility for deposit in a Liquidity Facility Purchase Account shall not be available to pay the Purchase Price of Bonds of any Series or Mode other than Offered Bonds of a Series and Mode that are supported by such Liquidity Facility.

Payment of Purchase Price by Tender Agent. The Tender Agent shall pay the Purchase Price of Offered Bonds of a Series to their Owners from the moneys in the Liquidity Facility Purchase Account and the Remarketing Proceeds Account in accordance with the Certificate of Determination on any Purchase Date or Mandatory Purchase Date, as the case may be. If on any Purchase Date or Mandatory Purchase Date any balance remains in the Purchase Fund then to the extent of any amounts owed to the Liquidity Facility Issuer, such balance shall be paid to the Liquidity Facility Issuer.
Alternate Credit Facility and Alternate Liquidity Facility

At any time, the Authority may obtain or provide for the delivery to the Trustee of an Alternate Liquidity Facility and/or an Alternate Credit Facility with respect to the Offered Bonds of a Series. The Authority shall not obtain a Liquidity Facility for the Offered Bonds of a Series or provide for the delivery of a Liquidity Facility for the Offered Bonds of a Series to the Trustee without the prior consent of the Credit Facility Issuer for the Offered Bonds of such Series. Any such Liquidity Facility shall be rated at least A-1, P-1 or F-1; provided however, in the event of a withdrawal or reduction of such ratings, the Authority shall provide an Alternate Liquidity Facility rated at least A-1, P-1 or F-1. Any such Liquidity Facility or Credit Facility shall provide that a Termination Date which permits the Trustee to make on the Termination Tender Date a draw under the Liquidity Facility or Credit Facility, as the case may be, shall not occur unless written notice thereof is given to the Trustee and the Tender Agent at least ten (10) days prior to the Termination Tender Date. To the extent that any Liquidity Facility or Credit Facility permits the issuer thereof to assign its obligation thereunder, such Liquidity Facility or Credit Facility, as the case may be, shall provide that such assignment shall not be effective unless a written notice of such assignment is given to the Authority or Trustee and the Tender Agent at least sixteen (16) days prior to the effective date of such assignment. On or prior to the date on which a Liquidity Facility or Credit Facility is obtained or delivered to the Trustee, the Authority shall furnish to the Trustee a Favorable Opinion of Bond Counsel. As provided in the Certificate of Determination, all Outstanding Offered Bonds of the Series and Mode to which such Liquidity Facility or Credit Facility (other than a bond insurance policy securing Offered Bonds of a Series in a Term Mode or a Fixed Rate Mode) relates will become subject to mandatory tender for purchase on or before the Substitution Date. The obligation to reimburse the Liquidity Facility Issuer and/or the Credit Facility Issuer under the Credit Facility shall constitute Parity Reimbursement Obligations within the meaning of the Resolution and shall be secured by the pledge of and lien on the Trust Estate created by the Resolution.

At the direction of the Authority, the Trustee shall execute and deliver (i) any instrument that, upon such execution and delivery by the Trustee, would constitute a “Credit Facility” or “Liquidity Facility” and/or (ii) the related Reimbursement Agreement.

The Authority shall deliver to the Trustee, the Tender Agent, the Credit Facility Issuer and the Remarketing Agent a copy of each Liquidity Facility or Credit Facility obtained pursuant to the Certificate of Determination on the effective date of such Liquidity Facility or Credit Facility. If at any time there shall have been delivered to the Trustee (i) an Alternate Credit Facility or Alternate Liquidity Facility in substitution for the Credit Facility or Liquidity Facility with respect to Offered Bonds of a Series then in effect, (ii) the provision by the Authority that funds to purchase all Bank Bonds, if any, and pay all other amounts owing under the Liquidity Facility or Credit Facility, as applicable are available and (iii) a Favorable Opinion of Bond Counsel, then, providing that all conditions to substitution contained in the existing Credit Facility or Liquidity Facility shall have been satisfied, the Trustee shall accept such Alternate Credit Facility or Alternate Liquidity Facility and, subject to the Certificate of Determination, shall surrender the Credit Facility or Liquidity Facility then in effect to the Credit Facility Issuer or Liquidity Facility Issuer on the effective date of the Alternate Credit Facility or Alternate Liquidity Facility. In the event of an extension of the Expiration Date, the Authority shall give the Trustee, the Tender Agent, the Credit Facility Issuer, the Liquidity Facility Issuer and the Remarketing Agent a written notice of the new Expiration Date at least sixteen (16) days prior to the Expiration Tender Date. In the event of a substitution of a Liquidity Facility with an Alternate Liquidity Facility or of a Credit Facility with an Alternate Credit Facility, the Authority shall give the Trustee, the Tender Agent and the Remarketing Agent a written notice of the Substitution Date at least sixteen (16) days prior to such Substitution Date. The Authority shall give the Trustee, Tender Agent, the Liquidity Facility Issuer and the Remarketing Agent a written notice of its election to terminate the Credit Facility or the Liquidity Facility at least sixteen (16) days prior to the Termination Tender Date resulting from its election to terminate such Credit Facility or Liquidity Facility.

In no event shall the Trustee surrender or cancel a Liquidity Facility relating to the Offered Bonds of any Series prior to its Termination Date except upon a Substitution Date or unless it has received funds, either from proceeds of remarketing or a draw under the Liquidity Facility to be surrendered or cancelled, sufficient to pay the Purchase Price of such Bonds to the applicable Mandatory Purchase Date.
The Trustee shall not sell, assign or otherwise transfer the Credit Facility or Liquidity Facility, except to a successor Trustee hereunder and in accordance with the terms of the Credit Facility or Liquidity Facility and the Resolution.

Neither the Authority nor the Trustee shall consent to the substitution of a new Credit Facility for the then-existing Credit Facility that is a bond insurance policy, or the surrender, cancellation, termination, amendment or modification of the then-existing Credit Facility that is a bond insurance policy, without the prior written consent of the Liquidity Facility Issuer, if any.

On or prior to the Substitution Date, no drawing under an Alternate Liquidity Facility shall be made by the Trustee if the predecessor Liquidity Facility shall be effective and available to make drawings thereunder on the date of such drawing. After the Substitution Date, no drawing under a predecessor Liquidity Facility shall be made by the Trustee if the Alternate Liquidity Facility shall be effective and available to make drawings thereunder on the date of such drawing.

**Remarketing Agents**

The Authority will enter into separate Remarketing Agreements (the “Remarketing Agreements”), with each of the Remarketing Agents set forth below (the “Remarketing Agents”), pursuant to which each Remarketing Agent undertakes, among other things, to use its best efforts all Offered Bonds of a Series tendered for purchase.

Barclays will serve as the initial Remarketing Agent with respect to the Series 2012C Bonds and Wells Fargo Bank, N.A. will serve as the initial Remarketing Agent with respect to the Series 2012D Bonds.

Any Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving notice to the related Liquidity Facility Issuer, the Trustee, the Authority, the related Credit Facility Issuer and the Tender Agent in accordance with the Remarketing Agreement, provided that a successor Remarketing Agent shall be appointed and acting hereunder on or prior to the effective date of such resignation or discharge. Any Remarketing Agent may be removed at any time, at the direction of the Authority, by an instrument filed with the Trustee, the related Remarketing Agent and the related Tender Agent in accordance with the Remarketing Agreement. The Authority shall remove a Remarketing Agent at the direction of the Credit Facility Issuer or Liquidity Facility Issuer for failure of the Remarketing Agent to perform its obligations hereunder.

Any Remarketing Agent shall be selected by the Authority and with the prior written consent of the Liquidity Facility Issuer and shall be a commercial bank, National Banking Association or Trust Company or a member of the Financial Industry Regulating Authority, Inc., shall have a capitalization of at least fifty million dollars ($50,000,000), and shall be authorized by law to perform all the duties set forth in the Resolution. The Authority’s delivery to the Trustee of a Certificate setting forth the effective date of the appointment of a Remarketing Agent and the name, address and telephone number of such Remarketing Agent shall be conclusive evidence that (i) such Remarketing Agent has been appointed and is qualified to act as Remarketing Agent under the terms of the Resolution and (ii) if applicable, the predecessor Remarketing Agent has been removed in accordance with the provisions of the Resolution.

Each Remarketing Agent shall keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Authority and the Trustee at all reasonable times.

**Each Remarketing Agent is Paid by the Authority**

Each Remarketing Agent’s responsibilities include determining the interest rate from time to time and remarketing the Offered Bonds of a Series that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the Authority and is paid by the Authority for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of the Offered Bonds of a Series.
Each Remarketing Agent Routinely Purchases Offered Bonds for its Own Account

Each Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account in order to achieve a successful remarketing of the obligations (i.e., because there are otherwise not enough buyers to purchase the obligations) or for other reasons. Each Remarketing Agent is permitted, but not obligated, to purchase tendered Offered Bonds of the applicable Series for its own account and, if it does so, it may cease doing so at any time without notice. Each Remarketing Agent may also make a market in the applicable Series by routinely purchasing and selling such Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, each Remarketing Agent is not required to make a market in the applicable Series. Each Remarketing Agent may also sell any Offered Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the applicable Offered Bonds. The purchase of Offered Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for such Bonds in the market than is actually the case. The practices described above also may result in fewer Offered Bonds being tendered in a remarketing.

Offered Bonds May be Offered at Different Prices on Any Date Including a Rate Determination Date

Pursuant to the Remarketing Agreements, each Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Offered Bonds of a Series bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Rate Determination Date. The interest rate will reflect, among other factors, the level of market demand for the Offered Bonds of a Series (including whether the Remarketing Agent is willing to purchase such Offered Bonds for its own account). There may or may not be Offered Bonds of the Series tendered and remarked on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any such Bonds tendered for purchase on such date at par and the Remarketing Agent may sell such Offered Bonds at varying prices to different investors on such date or any other date. Each Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Offered Bonds of a Series at the remarketing price. In the event a Remarketing Agent owns any Offered Bonds of a Series for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Offered Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Offered Bonds other than through Tender Process May Be Limited

Each Remarketing Agent may buy and sell the Offered Bonds of a Series other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to sell their Offered Bonds to instead tender their Offered Bonds through the Tender Agent with appropriate notice. Further, investors who purchase the Offered Bonds should not assume that they will be able to sell their Offered Bonds other than by tendering the Offered Bonds in accordance with the tender process. The applicable Letter of Credit is not available to purchase Offered Bonds of a Series other than those tendered in accordance with the tender process and, as such, would not be drawn to purchase Bonds in connection with a sale of Offered Bonds by the bondholder to the Remarketing Agent. The applicable Letter of Credit will only be drawn when such Offered Bonds of a Series have been properly tendered in accordance with the terms of the transaction.

Under Certain Circumstances, each Remarketing Agent May Be Removed, Resign or Cease Remarketing the Offered Bonds, Without a Successor Being Named

Under certain circumstances, each Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the applicable Remarketing Agreement.

Modifications or Amendments to the Resolution

The provisions of the Resolution, including, without limitation, the provisions of the Certificate of Determination, may be amended, with respect to Offered Bonds of a Series, without consent of the Owners of Bonds
or of the Trustee and only with the consent of the Credit Facility Issuer and the Liquidity Facility Issuer for the Offered Bonds of such Series, at any time or from time to time, (i) for the purpose of making changes in the provisions hereof relating to the characteristics and operational provisions of the Modes of any Series of Bonds or (ii) in order to provide for and accommodate Credit Facilities or Liquidity Facilities for Bonds of any Series. Each such amendment shall become effective on any Mandatory Purchase Date applicable to the Offered Bonds of a Series affected by such amendment next following the filing of a copy thereof, certified by an Authorized Officer, with the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Issuer and the Liquidity Facility Issuer with respect to the Offered Bonds of such Series.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority ("Bond Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax that may be imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of facts, and statements of reasonable expectations made by the Authority and LIPA in connection with the Offered Bonds, and Bond Counsel has assumed compliance by the Authority and LIPA with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Authority, under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, and the Offered Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State of New York, except estate or gift taxes and taxes on transfers.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Offered Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, or any facts or circumstances that may thereafter come to its attention, or changes in law or in interpretations thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action thereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Offered Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Offered Bonds in order that interest on the Offered Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of gross proceeds of the Offered Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Offered Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority and LIPA have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Offered Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of the Offered Bonds. Prospective investors, particularly those who may be subject to special rules, are
advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Offered Bonds.

Prospective owners of the Offered Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits and individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Offered Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Offered Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing an Offered Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Offered Bond from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Offered Bonds under Federal or state law or otherwise prevent beneficial owners of the Offered Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Offered Bonds.

Prospective purchasers of the Offered Bonds should consult their own tax advisors regarding the foregoing matters.

UNDERWRITING

Barclays has agreed, subject to certain conditions, to purchase the Series 2012C Bonds from the Authority and to make a public offering at par.

Wells Fargo Securities has agreed, subject to certain conditions, to purchase the Series 2012D Bonds from the Authority and to make a public offering at par.

The issuance of the Series 2012C Bonds or the Series 2012D Bonds is not contingent upon the issuance of the other Series.

The Offered Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Offered Bonds into investment trusts) at prices lower than such public offering prices.

The following four sentences have been provided by Wells Fargo Securities: Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its
subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"). WFBNA, the lead underwriter of the Series 2012D Bonds, has entered into an agreement (the "Distribution Agreement") with Wells Fargo Advisors, LLC ("WFA") for the retail distribution of certain municipal securities offerings, including the Series 2012D Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2012D Bonds with WFA. WFBNA and WFA are both subsidiaries of Wells Fargo & Company.

CONTINUING DISCLOSURE UNDERTAKING

The Offered Bonds will be subject to the continuing secondary market disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and will be made subject to the Continuing Disclosure Certificate a form of which is attached hereto as Appendix 3 to this Official Statement. Pursuant to the Continuing Disclosure Certificate, the Authority will provide for the benefit of the holders of the Offered Bonds certain financial information and operating data relating to the Authority by the dates specified in the Continuing Disclosure Certificate (the “Annual Report”), and provide notices of the occurrence of certain enumerated events with respect to the Offered Bonds. The Annual Report will be filed by or on behalf of the Authority with the Municipal Securities Rulemaking Board and its Electronic Municipal Market Access system (“EMMA”). The notices of such events would be filed by or on behalf of the Authority with EMMA and with the Trustee. The specific nature of the information to be contained in the Annual Report and the notices of events is set forth in the Form of the Continuing Disclosure Certificate which is included in its entirety in Appendix 3. The Offered Bonds being made subject to the Continuing Disclosure Certificate is a condition precedent to the obligation of the Underwriters to purchase the Offered Bonds. The Authority’s undertakings in the Continuing Disclosure Certificate are being made in order to assist the Underwriters in complying with the Rule. Within the past five years, the Authority has not failed to comply, in any material respects, with any previous undertakings (as such term is used in the Rule) in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

CREDIT RATINGS

Prior to issuance, the Offered Bonds will be assigned ratings by Fitch, Inc. (“Fitch”), Moody’s Investors Service (“Moody’s”) and Standard & Poor’s Rating Services (“S&P”). In each case, those ratings will be based upon the Letter of Credit relating to the applicable Offered Bonds of a Series.

The respective ratings by Fitch, Moody’s and S&P of the Offered Bonds reflect only the views of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, Inc., One State Street Plaza, New York, New York 10004; Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings for the Offered Bonds will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Offered Bonds.

AGREEMENT OF NEW YORK STATE

In the Act, the State pledges to and agrees with the holders of any obligations issued under the Act and the parties to any contracts with the Authority that the State will not limit or alter the rights vested in the Authority until such obligations together with the interest thereon are fully met and discharged and/or such contracts are fully performed on the part of the Authority, provided that nothing therein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations of the Authority, or those entering into such contracts with the Authority. The Authority, as agent for the State, is authorized to include such pledge and agreement by the State in all agreements with the holders of such obligations and in all such contracts. The Authority has included such pledge in the Resolution.
LEGALITY FOR INVESTMENT

The Act provides that the Offered Bonds will be legal investments for public officers and bodies of the State and all municipalities, insurance companies and associations and other persons carrying on an insurance business, banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all trusts, estates and guardianships, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the State, or may properly and legally invest funds, including capital in their control or belonging to them. Under the Act, the Offered Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

APPROVAL OF LEGAL PROCEEDINGS

Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority, will render its opinions with respect to the validity of the Offered Bonds in substantially the form set forth in Appendix 1 to this Main Body. Certain legal matters with respect to the Authority and LIPA will be passed upon by Lynda Nicolino, Esquire, General Counsel to the Authority and LIPA, and by Squire Sanders (US) LLP, New York, New York, Disclosure Counsel to the Authority and LIPA. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, New York, New York, Counsel to the Underwriters.

MISCELLANEOUS

This Official Statement includes, among other things, descriptions of (i) the Banks, the Letters of Credit and the Reimbursement Agreements, (ii) the Authority, LIPA, the System and NMP2 and (iii) the terms of the Offered Bonds, the Operating Agreements, the Resolution, the Continuing Disclosure Certificate and certain provisions of the Act, some of which are included herein by specific-cross reference. Such descriptions are not complete and all such descriptions and references thereto are qualified by reference to each such document, copies of which may be obtained from the Authority.

The agreements with the holders of the Offered Bonds are fully set forth in the Bond Resolution, as supplemented by the Supplemental Resolution, which authorizes their issuance. This Official Statement is not to be construed as a contract with the purchasers of the Offered Bonds or of any other obligations of the Authority.

This Official Statement has been executed on behalf of the Authority by its Chief Operating Officer pursuant to the authority of the Trustees.

LONG ISLAND POWER AUTHORITY

By: /s/ Michael D. Hervey ______________________
    Chief Operating Officer
Form of Opinion of Hawkins Delafield & Wood LLP  
Bond Counsel to the Authority  

(Closing Date __, 2012)  

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

Ladies and Gentlemen:  

We have examined a certified record of proceedings relating to the issuance of $________ Electric System General Revenue Bonds, Series 2012C and $________ Electric System General Revenue Bonds, 2012D (the “Series 2012 C and D Bonds”) of the Long Island Power Authority (the “Authority”), a corporate municipal instrumentality of the State of New York (the “State”) constituting a body corporate and politic and a political subdivision of the State.  

The Series 2012 C and D Bonds are issued under and pursuant to the Constitution and statutes of the State, including the Long Island Power Authority Act, being Title 1-A of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “Act”), and under and pursuant to proceedings of the Authority duly taken, including a resolution adopted by the Trustees of the Authority on May 13, 1998 entitled “Electric System General Revenue Bond Resolution”, as supplemented by a resolution of said Trustees adopted on December 15, 2011 (collectively, the “Resolution”).  

The Authority has heretofore issued bonds (the “Outstanding Bonds”) under the Resolution. The Resolution provides that the Authority may issue additional Bonds (as defined in the Resolution), and incur Parity Obligations (as defined in the Resolution), thereunder from time to time on the terms and conditions and for the purposes stated therein. The Outstanding Bonds, the Series 2012 C and D Bonds, such additional Bonds, if issued, and such Parity Obligations, if incurred, will be equally and ratably secured under the Resolution, except as otherwise provided therein.  

The Series 2012 C and D Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.  

We are of the opinion that:  

1. The Authority is duly created and validly existing under the laws of the State, including the Constitution of the State and the Act. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid with respect to all provisions thereof material to the subject matters of this opinion letter.  

2. The Authority has the right and power under the Act to adopt the Resolution and to perform its obligations thereunder, including its rate covenant relating to the establishment and maintenance of System fees, rates, rents, charges and surcharges. The Authority has received all approvals of any governmental agency, board or commission necessary for the adoption of, or performance of its obligations under, the Resolution, including the approval of the New York State Public Authorities Control Board. The approval of the Public Authorities Control Board of the acquisition of the Long Island Lighting Company by the Authority directs the Authority to obtain the approval of the New York State Public Service Commission prior to implementing certain rate increases.  

3. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority, and is enforceable in accordance with its terms. The Resolution creates the valid pledge which it purports to create of the Trust Estate (as defined in the Resolution), subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.  

App. 1-1
4. The Series 2012 C and D Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolution, and are valid and binding special obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution. The Authority has no taxing power, the Series 2012 C and D Bonds are not debts of the State or of any municipality thereof, and the Series 2012 C and D Bonds will not constitute a pledge of the credit, revenues or taxing power of the State or of any municipality thereof. The Authority reserves the right to issue additional Bonds and to incur Parity Obligations on the terms and conditions, and for the purposes, provided in the Resolution, on a parity of security and payment with the Series 2012 C and D Bonds and the Outstanding Bonds.

5. Any registration with, consent of, or approval by, any governmental agency, board, or commission that is necessary for the execution and delivery and the issuance of the Series 2012 C and D Bonds has been obtained.

6. The adoption of the Resolution, compliance with all of the terms and conditions of the Resolution and the Series 2012 C and D Bonds, and the execution and delivery of the Series 2012 C and D Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law, or of any approval by any governmental agency, board or commission necessary for the adoption of, or performance of the Authority’s obligations under, the Resolution.

7. The Financing Agreement, dated as of May 1, 1998, between the Authority and Long Island Lighting Company d/b/a LIPA (as successor by merger to LIPA Acquisition Corp.) (the “Subsidiary”) has been duly authorized, executed and delivered by the Authority and the Subsidiary and is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms.

8. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2012 C and D Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2012 C and D Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering the opinions in this paragraph 8, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and the Subsidiary in connection with the Series 2012 C and D Bonds, and we have assumed compliance by the Authority and the Subsidiary with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2012 C and D Bonds from gross income under Section 103 of the Code.

9. Under existing statutes, interest on the Series 2012 C and D Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, and the Series 2012 C and D Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State, except estate or gift taxes and taxes on transfers.

The opinions expressed in paragraphs 2, 3, 4 and 7 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors’ rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 8 and 9 we express no opinion regarding any other federal or state tax consequences with respect to the Series 2012 C and D Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2012 C and D Bonds, or under state and local tax law.
We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information, which has been or will be supplied to purchasers of the Series 2012 C and D Bonds.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,
Summary of Certain Provisions of the Reimbursement Agreements

Events of Default under the Series 2012C Reimbursement Agreement

Pursuant to the Series 2012C Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to the Series 2012C Reimbursement Agreement for a complete listing of all Events of Default:

(i) The Authority shall fail to pay to Barclays PLC when due (whether upon demand or otherwise), any of the Payment Obligations (as defined in the Series 2012C Reimbursement Agreement) or shall fail to remit or deposit funds as required by the Series 2012C Reimbursement Agreement, the General Resolution (as defined in the Series 2012C Reimbursement Agreement), the Certificate of Determination, or the Series 2012C Bonds; or

(ii) The Authority shall fail to observe any material warranty made by it under the Series 2012C Reimbursement Agreement or to perform any covenant, condition or agreement under the Series 2012C Reimbursement Agreement or in any of the other Authority Documents (as defined in the Series 2012C Reimbursement Agreement) on its part to be observed or performed (other than a failure referred to in clause (i) under this subheading “Events of Default under the Series 2012C Reimbursement Agreement), and (A) in the case of certain covenants in the 2012C Reimbursement Agreement, on the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by Barclays PLC, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, (B) in the case of a specific covenant set forth in the Series 2012C Reimbursement Agreement, such failure shall not have been cured within five (5) Business Days after the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by Barclays PLC, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, and (C) in the case of all other covenants such failure shall not have been cured within thirty (30) days after the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by Barclays PLC, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure; or

(iii) The Authority or the LIPA Subsidiary (as defined in the Series 2012C Reimbursement Agreement) shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Authority or the LIPA Subsidiary or of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (E) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, (F) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Authority or the LIPA Subsidiary in any involuntary case under said Federal Bankruptcy Code, (G) be a party to a moratorium or repudiation with respect to any of its debt or (H) take any action for the purpose of effecting any of the foregoing; or

(iv) A proceeding or case shall be commenced, without the application or consent of the Authority or the LIPA Subsidiary, in any court of competent jurisdiction, seeking (A) the liquidation, reorganization, dissolution, winding-up or composition or readjustment of debts of the Authority or the LIPA Subsidiary, (B) the appointment of a trustee, receiver, custodian, liquidator or the like, of the Authority or the LIPA Subsidiary, or of all or any substantial part of the...
Authority’s or the LIPA Subsidiary’s assets, or (C) similar relief in respect of the Authority or the
LIPA Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up or
composition, moratorium, repudiation or adjustment of debts, and such proceeding or case shall
continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing
shall be entered and continue unstayed and in effect, for a period of sixty (60) days from
commencement of such proceeding or case, or an order for relief against the Authority or the
LIPA Subsidiary shall be entered in an involuntary case under said Federal Bankruptcy Code; or

(v) Any representation or warranty made by the Authority or the LIPA Subsidiary in
any of the Bank Documents (as defined in the Series 2012C Reimbursement Agreement),
Authority Documents (as defined in the Series 2012C Reimbursement Agreement) or Subsidiary
Documents (as defined in the Series 2012C Reimbursement Agreement), or in any certificate, financial report or other statement furnished by
the Authority or the LIPA Subsidiary pursuant to the Series 2012C Reimbursement Agreement,
any other Bank Documents, any Subsidiary Documents or any Authority Documents, shall prove
to be untrue or incomplete in any material respect when made; or

(vi) The independent certified public accountants retained by the Authority shall fail
or refuse to deliver an opinion, unqualified in scope (other than an opinion qualified as a result of
a change in application of generally accepted accounting principles, such change being one with
which such accountants concur) with respect to the financial statements of the Authority; or

(vii) (a) Any material provision of the Series 2012C Reimbursement Agreement, the
Authority Documents (as defined in the Series 2012C Reimbursement Agreement) or any other
Documents (other than the Series 2012C Letter of Credit) (i) shall at any time for any reason cease
to be valid and binding on the Authority or the LIPA Subsidiary (with respect to those Documents
to which it is a party), or (ii) shall be declared to be null and void, or (b) the validity or
enforceability thereof shall be contested by the Authority or the LIPA Subsidiary (with respect to
those Documents to which it is a party), or (c) the Authority or the LIPA Subsidiary (with respect
to those Documents to which it is a party) shall deny that it has any or further liability or
obligation under the Series 2012C Reimbursement Agreement, any of the Authority Documents or
any of the other Bank Documents; or

(viii) One or more final, non appealable judgments against the Authority or the LIPA
Subsidiary, the operation and result of which, individually or in the aggregate, equal or exceed
$25,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period
of ninety (90) days; or

(ix) The Authority or the LIPA Subsidiary fails to pay any debt or obligation owing
under a financial instrument or contract and the outstanding principal under such financial
instrument or contract is in excess of $25,000,000, and such failure results in an acceleration of the
obligations thereunder; or

(x) The occurrence of an event of default or an event which, with the passage of
time or the giving of notice, would be an event of default under any other Bank Document,
Subsidiary Document, Authority Document or any Bank Agreement (as defined in the Series
2012C Reimbursement Agreement), if the result is to permit an acceleration of the obligations
thereunder; or

(xi) The Authority fails to make any payment with respect to any Bonds (as defined
in the Series 2012C Reimbursement Agreement) or Refunded Subordinate Bonds (as defined in
the Series 2012C Reimbursement Agreement), Parity Contract Obligations (as defined in the
Series 2012C Reimbursement Agreement) or any Financial Contract (as defined in the Series
2012C Reimbursement Agreement) that is secured or payable on a basis senior to or on a parity
with the Series 2012C Bonds, or any other Debt (as defined in the Series 2012C Reimbursement
Agreement) payable from Revenues (as defined in the Series 2012C Reimbursement Agreement)
when due, or any event or condition shall occur which would permit the acceleration of the maturity of any such Bonds or Refunded Subordinate Bonds, Parity Contract Obligations or other Debt payable from Revenues; or

(xii) The Authority or the LIPA Subsidiary, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC (as defined in the Series 2012C Reimbursement Agreement) or to a Plan under Title IV of ERISA (as defined in the Series 2012C Reimbursement Agreement); or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of $25,000,000 (collectively, a “Material Plan”) shall be filed under Title IV of ERISA by the Authority or the Subsidiary, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Authority or the Subsidiary, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

(xiii) The LIPA Subsidiary shall fail to make any payment under the Financing Agreement (as defined in the Series 2012C Reimbursement Agreement) or on the Note delivered thereunder as and when due; or

(xiv) (a) The Authority shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any indebtedness or any obligation under any Financial Contract of the Authority secured by or payable from the Trust Estate (as defined in the Series 2012C Reimbursement Agreement) that is senior to or on a parity with the Bonds and Bank Bonds or (b) any Governmental Authority (as defined in the Series 2012C Reimbursement Agreement) having appropriate jurisdiction over the Authority shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Bonds or Bank Bonds or any other indebtedness or any obligation under any Financial Contract of the Authority secured by the Trust Estate; or

(xv) (a) 150 days after the date on which the long term unenhanced rating by any of the Rating Agencies (as defined in the Series 2012C Reimbursement Agreement) then rating the Bonds or any other indebtedness of the Authority senior to or on a parity with the Bonds and secured by and payable from the Trust Estate shall be withdrawn or suspended for credit related reasons or is reduced below “Baa2” (or its equivalent) by Moody’s, “BBB” (or its equivalent) by S&P, or “BBB” (or its equivalent) by Fitch or (b) the date on which the long term unenhanced rating by each of the Rating Agencies then rating the Bonds or any other indebtedness of the Authority senior to or on a parity with the Bonds and secured by and payable from the Trust Estate shall be withdrawn or suspended for credit related reasons or reduced below “Baa3” (or its equivalent) by Moody’s, “BBB-” (or its equivalent) by S&P, and “BBB-” (or its equivalent) by Fitch; or

(xvi) 150 days after the date on which a non-appealable ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered having the effect of declaring the interest on the Series 2012C Bonds to be included in the gross income of the Owners (as defined in the Series 2012C Reimbursement Agreement).
REMEDIES

(i) Upon the occurrence of an Event of Default, Barclays PLC by delivery of a Notice of Termination (as defined in the Series 2012C Reimbursement Agreement) may notify the Trustee of the occurrence of such Event of Default and may (i) send written notice thereof to the Trustee requiring mandatory redemption or purchase of the Series 2012C Bonds, which in the case of mandatory redemption shall become due and payable under the Series 2012C Reimbursement Agreement and under the terms of the General Resolution immediately, (ii) declare all Payment Obligations to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the Authority, or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Series 2012C Reimbursement Agreement or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to Barclays PLC in the Documents, which action may include mandamus with respect to the Authority; provided, however, that upon the occurrence of an Event of Default under clause (i) under the subheading “Events of Default under the Series 2012C Reimbursement Agreement” above, as a result of a failure to reimburse Barclays PLC for an interest drawing or a tender drawing under the Series 2012C Letter of Credit, wherein Barclays PLC does not reinstate all of the interest component of the Series 2012C Letter of Credit, Barclays PLC must cause a mandatory redemption and not a purchase of the Series 2012C Bonds and provided, further, that upon the occurrence of an Event of Default under clause (iii) or (iv) under the subheading “Events of Default under the Series 2012C Reimbursement Agreement” above, the Bonds shall be subject to immediate mandatory redemption without notice from Barclays PLC (unless such immediate mandatory redemption is waived by Barclays PLC in writing).

(ii) The Series 2012C Letter of Credit shall automatically terminate on the 15th day following receipt by the Trustee of the notice as set forth in (i) above. Upon the occurrence of any Event of Default and the giving by Barclays PLC of notice to the Trustee to draw on the Series 2012C Letter of Credit and apply the proceeds to the mandatory tender of the Series 2012C Bonds or the payment of the redemption price of the Series 2012C Bonds, Barclays PLC may declare (i) the outstanding principal amount of all Payment Obligations, and (ii) a sum equal to the then Stated Amount (as defined in the Series 2012C Reimbursement Agreement) of the Series 2012C Letter of Credit, if any, immediately due and payable by the Authority to Barclays PLC, without presentment, demand, protest or notice of any kind.

(iii) Other Remedies. In addition to those rights and remedies expressly provided in the Series 2012C Reimbursement Agreement, Barclays PLC shall have all the rights and remedies provided in the Bank Documents, including, without limitation, all rights and remedies provided or available at law or in equity.

(iv) Set Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, Barclays PLC is authorized at any time and from time to time, without notice to the Authority (any such notice being expressly waived by the Authority) and to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by Barclays PLC to or for the credit or the account of the Trust Estate of the Authority against and on account of any and all of the obligations of the Authority now or hereafter existing under the Series 2012C Reimbursement Agreement or the Series 2012C Letter of Credit, irrespective of whether or not Barclays PLC shall have made any demand under the Series 2012C Reimbursement Agreement or thereunder and although such obligations may be unmatured.

(v) Remedies Cumulative. All remedies provided for in the Series 2012C Reimbursement Agreement are cumulative and shall be in addition to any and all other rights and remedies available under the Authority Documents, the Bank Documents or any other document or at law or equity. No exercise of any right or remedy shall in any way constitute a cure or waiver of any Event of Default under the Series 2012C Reimbursement Agreement, or invalidate any act done pursuant to any notice of default, or prejudice the exercise of any other right or remedy available to Barclays PLC. No failure to exercise, and no delay in exercising, any right or remedy shall operate as a waiver or otherwise preclude enforcement of any of its rights and remedies; nor shall any single or partial exercise of any right or remedy preclude any further exercise thereof or of any other right or remedy. Barclays PLC need not resort to any particular right or remedy before exercising or enforcing any other.

App. 2-4
EVENTS OF DEFAULT UNDER THE SERIES 2012D REIMBURSEMENT AGREEMENT

Pursuant to the Series 2012D Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to the Series 2012D Reimbursement Agreement for a complete listing of all Events of Default:

(i) The Authority shall fail to pay to TD Bank when due (whether upon demand or otherwise), any of the Payment Obligations (as defined in the Series 2012D Reimbursement Agreement) or shall fail to remit or deposit funds as required by the Series 2012D Reimbursement Agreement, the General Resolution (as defined in the Series 2012D Reimbursement Agreement), the Certificate of Determination, or the Series 2012D Bonds; or

(ii) The Authority shall fail to observe any material warranty made by it under the Series 2012D Reimbursement Agreement or to perform any covenant, condition or agreement under the Series 2012D Reimbursement Agreement or in any of the other Authority Documents (as defined in the Series 2012D Reimbursement Agreement) on its part to be observed or performed (other than a failure referred to in clause (i) under this subheading “Events of Default under the Series 2012D Reimbursement Agreement), and (A) in the case of certain covenants in the 2012D Reimbursement Agreement, on the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by TD Bank, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, (B) in the case of a specific covenant set forth in the Series 2012D Reimbursement Agreement, such failure shall not have been cured within five (5) Business Days after the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by TD Bank, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, and (C) in the case of all other covenants such failure shall not have been cured within thirty (30) days after the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by TD Bank, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure; or

(iii) The Authority or the LIPA Subsidiary (as defined in the Series 2012D Reimbursement Agreement) shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Authority or the LIPA Subsidiary or of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (E) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, (F) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Authority or the LIPA Subsidiary in any involuntary case under said Federal Bankruptcy Code, (G) be a party to a moratorium or repudiation with respect to any of its debt or (H) take any action for the purpose of effecting any of the foregoing; or

(iv) A proceeding or case shall be commenced, without the application or consent of the Authority or the LIPA Subsidiary, in any court of competent jurisdiction, seeking (A) the liquidation, reorganization, dissolution, winding-up or composition or readjustment of debts of the Authority or the LIPA Subsidiary, (B) the appointment of a trustee, receiver, custodian, liquidator or the like, of the Authority or the LIPA Subsidiary, or of all or any substantial part of the Authority’s or the LIPA Subsidiary’s assets, or (C) similar relief in respect of the Authority or the LIPA Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition, moratorium, repudiation or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days from
commencement of such proceeding or case, or an order for relief against the Authority or the LIPA Subsidiary shall be entered in an involuntary case under said Federal Bankruptcy Code; or

(v) Any representation or warranty made by the Authority or the LIPA Subsidiary in any of the Bank Documents (as defined in the Series 2012D Reimbursement Agreement), Authority Documents (as defined in the Series 2012D Reimbursement Agreement) or Subsidiary Documents (as defined in the Series 2012D Reimbursement Agreement), or in the Series 2012D Reimbursement Agreement, or in any certificate, financial report or other statement furnished by the Authority or the LIPA Subsidiary pursuant to the Series 2012D Reimbursement Agreement, any other Bank Documents, any Subsidiary Documents or any Authority Documents, shall prove to be untrue or incomplete in any material respect when made; or

(vi) The independent certified public accountants retained by the Authority shall fail or refuse to deliver an opinion, unqualified in scope (other than an opinion qualified as a result of a change in application of generally accepted accounting principles, such change being one with which such accountants concur) with respect to the financial statements of the Authority; or

(vii) (a) Any material provision of the Series 2012D Reimbursement Agreement, the Authority Documents (as defined in the Series 2012D Reimbursement Agreement) or any other Documents (other than the Series 2012D Letter of Credit) (i) shall at any time for any reason cease to be valid and binding on the Authority or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (ii) shall be declared to be null and void, or (b) the validity or enforceability thereof shall be contested by the Authority or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (c) the Authority or the LIPA Subsidiary (with respect to those Documents to which it is a party) shall deny that it has any or further liability or obligation under the Series 2012D Reimbursement Agreement, any of the Authority Documents or any of the other Bank Documents; or

(viii) One or more final, non appealable judgments against the Authority or the LIPA Subsidiary for the payment of money not covered by insurance, the operation and result of which, individually or in the aggregate, equal or exceed $25,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of ninety (90) days; or

(ix) The Authority or the LIPA Subsidiary fails to pay any debt or obligation owing under a financial instrument or contract and the outstanding principal under such financial instrument or contract is in excess of $25,000,000, and such failure results in an acceleration of the obligations thereunder; or

(x) The occurrence of an event of default or an event which, with the passage of time or the giving of notice, would be an event of default under any other Bank Document, Subsidiary Document, Authority Document or any Bank Agreement (as defined in the Series 2012D Reimbursement Agreement), if the result is to permit an acceleration of the obligations thereunder; or

(xi) The Authority fails to make any payment with respect to any Bonds (as defined in the Series 2012D Reimbursement Agreement) or Refunded Subordinate Bonds (as defined in the Series 2012D Reimbursement Agreement), Parity Contract Obligations (as defined in the Series 2012D Reimbursement Agreement) or any Financial Contract (as defined in the Series 2012D Reimbursement Agreement) that is secured or payable on a basis senior to or on a parity with the Series 2012D Bonds, or any other Debt (as defined in the Series 2012D Reimbursement Agreement) payable from Revenues (as defined in the Series 2012D Reimbursement Agreement) when due, or any event or condition shall occur which would permit the acceleration of the maturity of any such Bonds or Refunded Subordinate Bonds, Parity Contract Obligations or other Debt payable from Revenues; or
(xii) The Authority or the LIPA Subsidiary, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC (as defined in the Series 2012D Reimbursement Agreement) or to a Plan under Title IV of ERISA (as defined in the Series 2012D Reimbursement Agreement); or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of $25,000,000 (collectively, a “Material Plan”) shall be filed under Title IV of ERISA by the Authority or the Subsidiary, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Authority or the Subsidiary, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

(xiii) The LIPA Subsidiary shall fail to make any payment under the Financing Agreement (as defined in the Series 2012D Reimbursement Agreement) or on the Note delivered thereunder as and when due; or

(xiv) (a) The Authority shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any indebtedness or any obligation under any Financial Contract of the Authority secured by or payable from the Trust Estate (as defined in the Series 2012D Reimbursement Agreement) that is senior to or on a parity with the Bonds and Bank Bonds or (b) any Governmental Authority (as defined in the Series 2012D Reimbursement Agreement) having appropriate jurisdiction over the Authority shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Bonds or Bank Bonds or any other indebtedness or any obligation under any Financial Contract of the Authority secured by the Trust Estate; or

(xv) (a) The long term unenhanced rating by any of the Rating Agencies (as defined in the Series 2012D Reimbursement Agreement) then rating the Bonds or any other indebtedness of the Authority senior to or on a parity with the Bonds and secured by and payable from the Trust Estate shall be withdrawn or suspended for credit related reasons or is reduced below “Baa3” (or its equivalent) by Moody’s, “BBB-” (or its equivalent) by S&P, and “BBB-” (or its equivalent) by Fitch.

**Remedies**

(i) Upon the occurrence of an Event of Default, TD Bank by delivery of a Notice of Termination (as defined in the Series 2012D Reimbursement Agreement) may notify the Trustee of the occurrence of such Event of Default and may (i) send written notice thereof to the Trustee requiring mandatory redemption or purchase of the Series 2012D Bonds, which in the case of mandatory redemption shall become due and payable under the Series 2012D Reimbursement Agreement and under the terms of the General Resolution immediately, (ii) declare all Payment Obligations to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the Authority, or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Series 2012D Reimbursement Agreement or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to TD Bank in the Documents, which action may include mandamus with respect to the Authority; provided, however, that upon the occurrence of an Event of Default under clause (i) under the subheading “Events of Default under the Series 2012D Reimbursement Agreement” above, as a result of a failure to reimburse TD Bank for an interest drawing or a tender drawing under the Series 2012D Bonds.
Letter of Credit, wherein TD Bank does not reinstate all of the interest component of the Series 2012D Letter of Credit, TD Bank must cause a mandatory redemption and not a purchase of the Series 2012D Bonds and provided, further, that upon the occurrence of an Event of Default under clause (iii) or (iv) under the subheading “Events of Default under the Series 2012D Reimbursement Agreement” above, the Bonds shall be subject to immediate mandatory redemption without notice from TD Bank (unless such immediate mandatory redemption is waived by TD Bank in writing).

(ii) The Series 2012D Letter of Credit shall automatically terminate on the 15th day following receipt by the Trustee of the notice as set forth in (i) above. Upon the occurrence of any Event of Default and the giving by TD Bank of notice to the Trustee to draw on the Series 2012D Letter of Credit and apply the proceeds to the mandatory tender of the Series 2012D Bonds or the payment of the redemption price of the Series 2012D Bonds, TD Bank may declare (i) the outstanding principal amount of all Payment Obligations, and (ii) a sum equal to the then Stated Amount (as defined in the Series 2012D Reimbursement Agreement) of the Series 2012D Letter of Credit, if any, immediately due and payable by the Authority to TD Bank, without presentment, demand, protest or notice of any kind.

(iii) Other Remedies. In addition to those rights and remedies expressly provided in the Series 2012D Reimbursement Agreement, TD Bank shall have all the rights and remedies provided in the Bank Documents, including, without limitation, all rights and remedies provided or available at law or in equity.

(iv) Set Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, TD Bank is authorized at any time and from time to time, without notice to the Authority (any such notice being expressly waived by the Authority) and to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by TD Bank to or for the credit or the account of the Trust Estate of the Authority against and on account of any and all of the obligations of the Authority now or hereafter existing under the Series 2012D Reimbursement Agreement or the Series 2012D Letter of Credit, irrespective of whether or not TD Bank shall have made any demand under the Series 2012D Reimbursement Agreement or thereunder and although such obligations may be unmatured.

(v) Remedies Cumulative. All remedies provided for in the Series 2012D Reimbursement Agreement are cumulative and shall be in addition to any and all other rights and remedies available under the Authority Documents, the Bank Documents or any other document or at law or equity. No exercise of any right or remedy shall in any way constitute a cure or waiver of any Event of Default under the Series 2012D Reimbursement Agreement, or invalidate any act done pursuant to any notice of default, or prejudice the exercise of any other right or remedy available to TD Bank. No failure to exercise, and no delay in exercising, any right or remedy shall operate as a waiver or otherwise preclude enforcement of any of its rights and remedies; nor shall any single or partial exercise of any right or remedy preclude any further exercise thereof or of any other right or remedy. TD Bank need not resort to any particular right or remedy before exercising or enforcing any other.
APPENDIX 3

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Long Island Power Authority (the “Authority”) in connection with the issuance of its Electric System General Revenue Bonds, Series 2012C and 2012D (the “Offered Bonds”). The Offered Bonds are being issued pursuant to the Electric System General Revenue Bond Resolution adopted by the Authority on May 13, 1998 as amended and supplemented (the “Resolution”). The Authority covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Offered Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent,” if any, shall mean the person or firm, or any successor Dissemination Agent designated in writing by the Authority pursuant to Section 7 of this Disclosure Certificate and which has filed with the Authority and the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Authority’s final Official Statement relating to the Offered Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Offered Bonds required to comply with the Rule in connection with the offering of the Offered Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New York.


Capitalized terms not otherwise defined herein shall have the meanings set forth in the Official Statement.

SECTION 3. Provision of Annual Reports. For so long as shall be required by the Rule:

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 6 months after the end of the Authority’s fiscal year (presently December 31), commencing with the report for the 2012 Fiscal Year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Trustee. The Annual Report may be submitted as a single
document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) If a Dissemination Agent is appointed by the Authority, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the MSRB; and

(ii) file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

(d) All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Content of Annual Reports. The Authority’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Authority and its subsidiaries for the prior fiscal year, prepared in accordance with U.S. generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Authority’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Operating results for the prior fiscal year of the type set forth in the Financial Statements of the Authority included by specific cross-reference in the Official Statement.

3. Capital expenditures for the prior fiscal year of the type set forth in the Official Statement under the heading “Capital Improvement Plan” in the Authority’s Annual Report included by specific cross-reference in the Official Statement.

4 Service area loads for the prior fiscal year of the type set forth in the Official Statement under the heading “System Loads and Resources” in the Authority’s Annual Report included by specific cross-reference in the Official Statement.

5. A discussion of the Authority’s own rates and charges (but not regional comparisons) for the prior fiscal year of the type set forth in the Official Statement under the heading “Rates and Charges” in the Authority’s Annual Report included by specific cross-reference in the Official Statement.

6. Billings and collections for the prior fiscal year of the type set forth in the Authority’s Annual Report included by specific cross-reference in the Official Statement under the heading “Billing and Collections.”

7. A discussion of operating results, cash flows, uses of cash and capital expenditures of the type set forth in the audited Financial Statements for the years ended December 31, 2011 and 2010 attached as Appendix B in the Authority’s Annual Report included by specific cross-reference in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.
SECTION 5. Reporting of Listed Events. For so long thereafter as shall be required by the Rule:

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB (with a copy to the Trustee), in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Offered Bonds:

1. principal and interest payment delinquencies.
2. non-payment related defaults, if material.
3. modifications to rights of Bondholders, if material.
4. optional, contingent or unscheduled bond calls, if material, and tender offers.
5. defeasances.
6. rating changes.
7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Offered Bonds, or other material events affecting the tax status of the Offered Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.
11. release, substitution or sale of property securing repayment of the Offered Bonds, if material.
12. bankruptcy, insolvency, receivership or similar event of the Authority;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

SECTION 6. Termination of Reporting Obligation. With respect to any Bonds, the Authority’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of such Bonds. If such termination occurs prior to the final maturity of the Offered Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5.
SECTION 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate. Initially, the Authority will serve as its own dissemination agent. Notwithstanding any other provisions hereof, the Authority or the Dissemination Agent may make the filings required by this Disclosure Certificate either directly with the MSRB or through a central information repository approved in accordance with the Rule.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Offered Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Offered Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Offered Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Offered Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 50% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Offered Bonds may (unless the Authority has so complied within 20 days after written notice from the Trustee of its failure to comply) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default or an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.
SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s default or negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Offered Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Offered Bonds, and shall create no rights in any other person or entity.

Date: [       ] __, 2012

LONG ISLAND POWER AUTHORITY

By: ________________________________
APPENDIX 4

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered bonds in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for the Offered Bonds in the aggregate principal amount of the maturity of such Notes, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (“Indirect Participants”). DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s Rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC’s records. The ownership interest of each actual purchaser of Offered Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Bonds, except in the event that use of the book-entry system for a Series of the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC’s records reflect only the identity of the Direct DTC Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.
Redemption notices shall be sent to DTC. If less than all of the Offered Bonds within a maturity of a Series are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (or any other DTC nominee) will consent or vote with respect to Offered Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI procedures. Under its usual procedures, DTC mails an omnibus proxy (the “Omnibus Proxy”) to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Offered Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct DTC Participants’ accounts on the payable date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to a Series of the Offered Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Offered Bonds are required to be printed and delivered.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Offered Bonds registered in its name for the purposes of payment of the redemption proceeds and principal and interest on the Offered Bonds, giving any notice permitted or required to be given to registered owners under the Subordinated Resolution, registering the transfer of the Offered Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Offered Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Offered Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as a registered owner.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Offered Bonds will be printed and delivered to DTC.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this Appendix B has been extracted from information given by DTC. Neither the Authority, the Trustee nor the dealers make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR SUCH PARTICIPANTS, INDIRECT DTC PARTICIPANTS, OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY’S OBLIGATION UNDER THE ACT AND THE BOND RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.
CERTAIN DEFINITIONS IN THE CERTIFICATE OF DETERMINATION

The following are definitions of certain terms defined in the Certificate of Determination and used in this Official Statement:

“Alternate Credit Facility” means a credit facility that provides (to the extent, and subject to the terms and conditions, set forth therein) for the payment of principal of and interest on the Offered Bonds of a Series becoming due and payable during the term thereof and is issued in substitution for a Credit Facility in accordance with, and pursuant to, the Certificate of Determination, as the same may be amended or supplemented from time to time.

“Alternate Liquidity Facility” means a Liquidity Facility that provides (to the extent, and subject to the terms and conditions, set forth therein) for the payment of the Purchase Price of Offered Bonds of a Series tendered or deemed tendered to the Tender Agent pursuant to this Supplemental Resolution and is issued in substitution for a Liquidity Facility in accordance with, and pursuant to, the Certificate of Determination, as the same may be amended or supplemented from time to time.

“Alternate Rate” means, on any Rate Determination Date, the rate per annum specified in the index (the “Index”) most recently published by the Indexing Agent and in effect on such Rate Determination Date as its index for seven day variable rate demand bonds. The bonds on which the Index is based shall not include any bonds the interest on which is subject to a “minimum tax” or similar tax under the Internal Revenue Code of 1986, unless all tax-exempt bonds are subject to such tax.

“Authorized Denominations” means with respect to Offered Bonds of a Series in a Daily Mode or Weekly Mode $100,000 and any integral multiple of $5,000 in excess thereof.

“Bank Bondholder” means a Purchased Bondholder as defined in the applicable Liquidity Facility and any Bank Bondholder as defined in any Alternate Liquidity Facility.

“Bank Interest Rate” means with respect to any amounts owing under any Bank Bond, the rate of interest which is applicable to the amounts owing under such Bank Bond as specified in and computed in accordance with the Liquidity Facility.

“Bank Bond” means any Offered Bond of a Series during any period commencing on the day such Bond is owned by or held on behalf of the Liquidity Facility Issuer or its permitted assignee as a result of such Bond having been purchased pursuant to the Certificate of Determination from the proceeds of a draw under the Liquidity Facility and ending when such Bond is, pursuant to the provisions of the Liquidity Facility, no longer deemed to be a Bank Bond.

“Business Day” means a day other than (i) a Saturday and Sunday or (ii) a day on which the Trustee, the Remarketing Agent and Tender Agent (if any), the Credit Facility Issuer, the Liquidity Facility Issuer (if the Credit Facility Issuer or Liquidity Facility Issuer is a foreign institution or corporation then the Credit Facility Issuer or Liquidity Facility Issuer’s domestic branch or agency) or commercial banks and trust companies in New York, New York, or any other city in which the principal office of the Authority is located, are authorized or required to remain closed or (iii) a day on which the New York Stock Exchange is closed.

“Certificate of Determination” shall mean the Certificate of Determination (including Appendix A thereto) relating to the Offered Bonds, as amended from time to time.

“Credit Facility” means a Credit Facility (as defined in the Resolution but excluding, for purposes of the Certificate of Determination, any Liquidity Facility as defined below) which is obtained by the Authority pursuant to the Certificate of Determination and that provides (to the extent, and subject to the terms and
conditions, set forth therein) for the payment of principal of and interest on the Offered Bonds of a Series becoming due and payable during the term thereof, as the same may be amended or supplemented from time to time.

“Credit Facility Issuer” means the issuer of a Credit Facility. The initial Credit Facility Issuer with respect to the Series 2012C Bonds is Barclays Bank PLC and the initial Credit Facility Issuer with respect to the Series 2012D Bonds is TD Bank, N.A..

“Current Mode” has the meaning specified in the Certificate of Determination.

“Daily Mode” means the mode during which Offered Bonds of a Series bear interest at a Daily Rate.

“Daily Rate” means an interest rate determined pursuant to the Certificate of Determination.

“Differential Interest Amount” has the meaning specified in the Certificate of Determination.

“Direct-Pay Credit Facility” means a Credit Facility that is issued in the form of a direct-pay letter of credit.

“Direct-Pay Credit Facility Drawing Account” means the account that may be established pursuant to the Certificate of Determination.

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication.

“Eligible Account” shall mean an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a S&P short-term debt rating of at least “A-2” (or, if no short-term debt rating, a long-term debt rating of “BBB+”); or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

“Expiration Date” means, with respect to a Credit Facility or Liquidity Facility with respect to the Offered Bonds of a Series, the stated expiration date of such Credit Facility or Liquidity Facility, or such stated expiration date as it may be extended from time to time as provided therein; provided, however, that the “Expiration Date” shall not mean any date upon which a Credit Facility or Liquidity Facility is no longer effective by reason of its Termination Date, the date on which all Bonds of such Series bear interest at a Fixed Rate or other Non-Covered Interest Rate, or the expiration of such Credit Facility or Liquidity Facility by reason of the obtaining of an Alternate Credit Facility or Alternate Liquidity Facility.

“Expiration Tender Date” shall have the meaning set forth in the Certificate of Determination.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Counsel’s Opinion to the effect that such action is permitted under the Act and the Resolution and that such action will not impair the exclusion of interest on such Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Offered Bonds).

“Interest Non-Reinstatement Tender Date” shall have the meaning set forth in the Certificate of Determination.

“Interest Payment Date” means the following dates upon which interest is payable on Offered Bonds of a Series: the Maturity Date, or any Mode Change Date; with respect to the Daily Mode and the Weekly Mode the first Business Day of each calendar month; and with respect to a Bank Bond, each date that is specified as
a date on which interest is payable thereon pursuant to the Liquidity Facility under which such Bank Bond was purchased; and

“Interest Period” means the period of time that any interest rate remains in effect in accordance with the Certificate of Determination.

“Liquidity and Credit Amount” means at any time and with respect to the Offered Bonds of a Series bearing interest at the Daily Rate or Weekly Rate, an amount sufficient to pay the Purchase Price equal to the principal amount (and, with respect to a Credit Facility, Redemption Price, but solely with respect to mandatory Sinking Fund Installments) of the Offered Bonds of the Series then Outstanding plus an interest amount equal to at least 34 days’ interest thereon calculated at the Maximum Rate on the basis of a 365 day year for the actual number of days elapsed.

“Liquidity Facility” means, in the case of the Offered Bonds of any Series, the initial letter of credit or similar obligation, arrangement or instrument issued or provided by a bank, insurance company or other financial institution which provides for the payment of all or a portion of the purchase price (including accrued interest) of the Offered Bonds of such Series obtained by the Authority pursuant to the Certificate of Determination and after the expiration or termination of such initial Liquidity Facility shall mean an Alternate Liquidity Facility that may be obtained by the Authority pursuant to the Certificate of Determination.

“Liquidity Facility Issuer” means the issuer of a Liquidity Facility. The initial Liquidity Facility Issuer with respect to the Series 2012C Bonds is Barclays Bank PLC and the initial Liquidity Facility Issuer with respect to the Series 2012D Bonds is TD Bank, N.A..

“Mandatory Purchase Date” means (i) any Mode Change Date, (ii) the Substitution Date, (iii) the Expiration Tender Date and (iv) the Termination Tender Date.

“Maturity Date” is the date shown on the cover of this Official Statement.

“Maximum Rate” means for Offered Bonds of a Series, other than Bank Bonds, twelve percent (12%) per annum or such higher rate consented to by the Credit Facility Issuer and the Liquidity Facility Issuer and as may be specified on any Mandatory Purchase Date in a certificate of an Authorized Representative of the Authority delivered to the Liquidity Facility, if any, the Remarketing Agent, Trustee and Tender Agent; provided, however, that in no event shall the Maximum Rate exceed the maximum rate permitted by applicable law or the amount of interest permitted under the Liquidity Facility relating to such Series, if any, and means for Bank Bonds the Bank Interest Rate, not to exceed 25%.

“Mode” means the Daily Mode, the Weekly Mode or any other method of determining the interest rate applicable to Offered Bonds of a Series permitted under this Certificate of Determination.

“Mode Change Date” means, with respect to Offered Bonds of a Series, the date one Mode terminates and another Mode begins.

“Non-Covered Interest Rate” means any authorized interest rate Mode for which moneys are not available under a Credit Facility or Liquidity Facility for a Series of Bonds.

“Notice Parties” means the Authority, the Trustee, the Remarketing Agent (if any), the Tender Agent (if any), the Credit Facility Issuer (if any) and the Liquidity Facility Issuer (if any).

“Offered Bonds” or “Offered Bonds of a Series” and words of like import shall mean any bonds, notes or other evidences of indebtedness or Series of bonds, notes or other evidences of indebtedness authorized pursuant to the Supplemental Resolution and issued in accordance with the forepart of the Certificate of Determination, or all such bonds, notes or other evidences of indebtedness or Series collectively, as the context may require.
“Principal Payment Date” means any date upon which the principal amount of Offered Bonds of a Series is due hereunder at maturity or on any Redemption Date.

“Purchase Date” means with respect to the Offered Bonds of a Series during the Daily Mode or Weekly Mode, any Business Day upon which such Bond is tendered or deemed tendered for purchase pursuant to the Certificate of Determination.

“Purchase Price” means an amount equal to the principal amount of any Offered Bond of a Series purchased on any Purchase Date or Mandatory Purchase Date, plus, in the case of any Offered Bond of a Series supported by a Liquidity Facility, unless the Purchase Date for such Bond would be an Interest Payment Date even if not a Purchase Date, accrued interest to the Purchase Date.

“Rate Determination Date” means any date on which the interest rate on any Offered Bonds of a Series is required to be determined, being: (i) in the case of Offered Bonds of a Series in the Daily Mode, each Business Day; and (ii) in the case of any Offered Bonds of a Series in the Weekly Mode, for any Interest Period commencing on a Mode Change Date, the Business Day immediately preceding the Mode Change Date, and for any other Interest Period, each Tuesday or, if such Tuesday is not a Business Day, the Business Day next succeeding such Tuesday.

“Record Date” means, with respect to Offered Bonds of a Series in the Daily Mode or the Weekly Mode, the close of business on the Business Day next preceding an Interest Payment Date.

“Redemption Date” means the date fixed for redemption of Offered Bonds of a Series subject to redemption in any notice of redemption given in accordance with the terms hereof.

“Remarketing Agent” means the remarketing agent at the time serving as such for the Offered Bonds of a Series pursuant to the Certificate of Determination.

“Remarketing Agreement” means the remarketing agreement entered into by and between the Authority and the Remarketing Agent with respect to the Offered Bonds of a Series.

“Substitution Date” means the date on which an Alternate Liquidity Facility is to be substituted for a then-existing Liquidity Facility in effect pursuant to the Certificate of Determination.

“Tender Agent” means the Trustee as tender agent appointed for the Offered Bonds the Certificate of Determination.

“Tender Agency Agreement” means the tender agency agreement entered into by and between the Tender Agent and the Authority with respect to the Offered Bonds of a Series.

“Termination Date” means, with respect to a Credit Facility or a Liquidity Facility, both (i) the date on which such Credit Facility or Liquidity Facility shall terminate pursuant to its terms or otherwise be terminated prior to its Expiration Date or (ii) the date on which the obligation of the Credit Facility Issuer or the Liquidity Facility Issuer to advance funds for the purchase of Bonds shall terminate, other than in either case a Substitution Date or an Expiration Date.

“Termination Tender Date” shall have the meaning set forth in the Certificate of Determination.

“Weekly Rate” means an interest rate determined pursuant to the Certificate of Determination.

“Weekly Mode” means the mode during which Offered Bonds of a Series bear interest at a Weekly Rate.