

Summary of Capital Expenditures
 (Thousands of Dollars)

	Actual 2007	Approved 2008		% Chg. from Approved 2008	Approved 2009	% Chg. from Updated 2008
		Original (12/2006)	Updated (6/2008)			
Transmission Projects						
Transmission Interconnections-New Power Plants (Major Capital)	\$ 2,914	\$ 3,750	\$ 13,825	268.68	\$ 6,950	(49.73)
Transmission Interconnections-Offshore Wind Projects (Major Capital)	168	25,000	-	(100.00)	-	-
Transmission Interconnections-Neptune Cable (Major Capital) ⁽¹⁾	22,943	-	653	N/M	-	(100.00)
Transmission Interconnections-NUSCO Cable (Major Capital)	34,645	26,500	27,059	2.11	-	(100.00)
Transmission Line-Southampton to Bridgehampton (Major Capital) ⁽²⁾	-	9,250	25,363	174.19	-	(100.00)
Nassau Substations and Lines (Major Capital)	26,043	15,192	16,488	8.53	22,870	38.71
Western Suffolk Substations and Lines (Major Capital)	16,907	15,255	10,803	(29.19)	5,500	(49.09)
Eastern Suffolk Substation and Lines (Major Capital) ⁽²⁾	14,725	18,950	31,893	68.30	27,150	(14.87)
Other Transmission (Routine Capital)	6,158	3,773	8,920	136.41	8,206	(8.00)
Other Transmission (Major Capital)	2,696	900	1,138	26.44	1,150	1.06
Total Transmission Projects	127,199	118,570	136,142	14.82	71,826	(47.24)
Distribution Projects						
Substations (Major Capital) ⁽¹⁾	12,702	10,313	7,813	(24.24)	10,847	38.84
Substations (Routine Capital)	2,935	3,570	3,543	(0.74)	4,167	17.60
Electric Lines-New Customer Load (Routine Capital)	28,283	26,835	26,800	(0.13)	26,600	(0.75)
Electric Lines-Other (Routine Capital)	74,035	52,713	68,416	29.79	68,220	(0.29)
Storm Hardening Initiative (Routine Capital) ⁽³⁾	-	15,000	13,900	(7.33)	18,000	29.50
Purchase and Install Meters/Transformers (Routine Capital)	29,501	19,984	26,460	32.41	30,860	16.63
Public Works	2,996	4,230	3,200	(24.35)	3,200	-
Other Distribution (Routine Capital)	4,443	12,679	3,780	(70.18)	4,365	15.46
Total Distribution Projects	154,896	145,324	153,913	5.91	166,259	8.02
Project Funding for Emerging Work	N/A	15,000	-	(100.00)	4,000	N/M
Total Transmission and Distribution Projects	282,095	278,894	290,054	4.00	242,085	(16.54)
Cost-Sharing and Other Contributions	(8,139)	(9,500)	(10,194)	7.31	(8,400)	(17.60)
Capitalized Interest and Allocations	18,183	13,100	16,000	22.14	15,200	(5.00)
Nine Mile Point Two Plant Additions/Replacements/Capitalized Nuclear Fuel	18,262	6,740	5,615	(16.69)	25,793	359.36
LIPA Information Systems, Equipment and Other Capitalized Expenditures	3,123	1,765	883	(49.98)	235	(73.38)
Total Capital Expenditures	\$ 313,524	\$ 290,999	\$ 302,357	3.90	\$ 274,913	(9.08)

N/M=Not Meaningful

N/A=Included in individual project categories, above

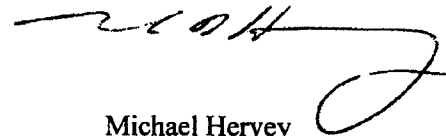
Notes: (1) Actual Neptune Cable related expenditures net of cost reimbursement.

(2) Approved 2008 (Original) restated to reflect presentation of Southampton-Bridgehampton transmission line as a separate category.

(3) Approved 2008 (Original) restated to reflect presentation of Storm Hardening program capital expenditures as a separate category.

Certification

I hereby certify that, to the best of my knowledge and belief after reasonable inquiry, the budget information contained herein for the years ending December 31, 2008 and December 31, 2009 have been developed based on reasonable assumptions and methods of estimation and that the requirements of 2 NYCRR Part 203 have been satisfied.

A handwritten signature in black ink, appearing to read 'M Hervey', with a large, stylized flourish at the end.

Michael Hervey
Vice President of Operations
Long Island Power Authority

Dated: June 26, 2008