LONG ISLAND POWER AUTHORITY

MINUTES OF THE 248th MEETING

HELD ON MARCH 27, 2014

The Long Island Power Authority (the “Authority”) was convened for the two-
hundred-and-forty eighth time at 11:07 a.m. at LIPA’s Headquarters, Uniondale, NY,
pursuant to legal notice given on March 24, 2014; and electronic notice posted on the
Authority’s website.

The following Trustees of the Authority were present:

Ralph V. Suozzi, Chair
Elkan Abramowitz
Marc S. Alessi
Sheldon L. Cohen
Matthew Cordaro
Mark Fischl
Thomas J. McAteer
Suzette Smookler

Trustee Jeffrey Greenfield was not present.

Representing the Authority were John McMahon, Chief Operating Officer; Tom
Falcone, Chief Financial Officer, and Lynda Nicolino, General Counsel and Secretary.

Chairman Suozzi called for a motion to accept the minutes of the February 26, 2014
meeting of the Board of Trustees, which was seconded. He asked if there were any changes or
deletions. Upon hearing none, the resolution was then unanimously adopted by the Trustees.

Upon motion duly made and seconded, the following motion was approved:

1209. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT
THE FEBRUARY 26, 2014 MEETING OF THE BOARD OF TRUSTEES OF THE LONG
ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on February 26, 2014
are hereby approved and all actions taken by the Trustees present at such meeting, as set
forth in such Minutes, are hereby in all respects ratified and approved as actions of the
Authority.

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Chairman Suozzi then remarked on the following item:

- The Electric Reliability Projects in both East Hampton and Post Washington.

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

Mr. McMahon commented on the following items:

- The proposed Caithness II Project;
- The potential repowering of the Port Jefferson plant;
- LIPA’s resource plan;
- Recently issued RFPs; and
- The Power Supply Charge and monthly bills

Following a discussion with the Trustees, the Chair stated that the next item on the agenda is the Financial Report, to be presented by Mr. Falcone.

Mr. Falcone then presented the Financial Report, which included the financial results through February 28, 2014.

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

The Chair stated that the next item on the agenda is the presentation of the Operating Report to be presented by PSEG LI President, Dave Daly; John O’Connell, Vice President of T & D Operations; Bill Johnson, Vice President of Business Services; and Dan Eichorn, Vice President of Customer Operations.

Mr. Johnson started the presentation and reported on the following items:

- Budget to actual variances for the current month and year to date; and
- The status of energy efficiency programs and capital projects.

Next, Mr. Daly reported on the following items:

- Summary of scorecard metrics;
- Letter sent to all town supervisors, county executives and others, related to feedback
received on storm restoration process; and

- Electric Reliability Projects in both East Hampton and Post Washington.

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

- Safety and injury statistics for the operations workforce;
- The FEMA Mitigation Grant Program;
- The status of the directional drilling standdown; and
- The change initiative around asset management development.

Finally, Dan Eichorn reported on the following items:

- Customer service metrics;
- Safety statistics for the customer service workforce;
- Customer call volume; and
- Meter reading.

Mr. Daly concluded PSEG LI’s report and took questions from the Trustees.

The Chair stated that the next item on the agenda is the Consideration of Approval of Various Modifications to LIPA’s Tariff for Electric Service Related to Rates, Charges, Net Metering and Other Provisions.

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

Ms. Nicolino presented the following action item:

Requested Action

The Long Island Power Authority (“LIPA”) Staff proposes to modify the Tariff for Electric Service (“Tariff”) effective April 1, 2014 to: (1) authorize the billing of securitization charges on behalf of the Utility Debt Securitization Authority; (2) restructure the Energy Efficiency Cost Recovery Rate; (3) update Delivery Charges consistent with the approved LIPA budget for 2014; (4) make miscellaneous changes that more closely align LIPA’s tariff with current Public Service Commission (“PSC”) policies; and (5) to revise the consumer complaint procedures and other miscellaneous Tariff provisions to implement
changes in connection with the new responsibilities of the New York State Department of Public Service’s Long Island office (“DPS LI”) under the LIPA Reform Act.

**Background**

LIPA’s approved budget for 2014 incorporates a level of revenues that assumes no increase in rates, other than changes to the Power Supply Charge. As presented in the budget, however, a number of revenue-neutral changes are required to accommodate aspects of the LIPA Reform Act of 2013, accomplish the rate freeze for 2014, and bring the Tariff more into line with PSC policies for the regulated, investor-owned utilities. These proposed changes will not materially change the rates paid by customers in the affected rate classes.

Staff also proposes to modify the Tariff to reflect DPS LI’s role related to handling customer complaints involving, among other things, the provision of electric service by the service provider.

**Securitization Charges**

The LIPA Reform Act established a new public authority the creation of the Utility Debt Securitization Authority (“UDSA”) for the sole purpose of securitizing a portion of the Authority’s debt. The Restructuring Cost Financing Order approved by the LIPA Trustees on October 3, 2013 calls for recovery of the Initial and Ongoing Financing Costs of the UDSA from Customers through a Securitization Charge. The Securitization Charge imposed on Customers will be determined by, and owed to, the UDSA, with LIPA serving the role as Servicing Agent on behalf of the UDSA. Imposition of the Securitization Charge will continue until all Initial and Ongoing Financing Costs of the UDSA have been recovered.

The UDSA will approve the appropriate level of the Securitization Charge, which will change from time to time at their discretion, sufficient to meet the objectives and obligations of the UDSA, which LIPA will bill and collect from Customers.

Concurrently, Staff proposes to create a Securitization Offset Charge. The Securitization Offset Charge reduces the revenues due to the Long Island Power Authority by the amount that is being collected by LIPA on behalf of the UDSA, after adjusting for the impact of Payments in Lieu of Revenue Taxes (“Revenue PILOTs”) and the New York State Assessment. The UDSA and the Securitization Offset Charge will be applied to all kWhs of Delivery Service based on the date on which that usage was billed, regardless of the date on which the energy was delivered or consumed.

**Restructure the Energy Efficiency Cost Recovery Rate.**

Staff proposes to modify the Energy Efficiency Cost Recovery Rider that recovers the costs of LIPA’s energy efficiency programs. Staff is recommending the transfer of lost revenues to base rate delivery charges and the removal of provisions for revenue and expense true-ups from the Efficiency and Renewables Charge. Under the new pricing and operations environment created by the LIPA Reform Act, LIPA has a goal to maintain its delivery
rates\textsuperscript{1} at their 2013 level. Recovery of lost revenues (which grow every year) and a true-up mechanism (which changes every year) are inconsistent with such a rate goal.

Staff had also proposed that cost recovery rider will be the same charge per kWh to all customers, as opposed to the separate recovery charges for small and large customers that exists today. LIPA staff subsequently determined that implementation of a uniform rate could run counter to rate neutrality. Therefore, staff recommends that the Trustees reject the proposal to apply a single Efficiency and Renewables Charge to all customers, and maintain the current distinction in the Efficiency and Renewables Charge between Small and Large Customers (as defined in the Tariff).

\textit{Reset Delivery Rates to Achieve Rate Neutrality consistent with the Goals of the LIPA Reform Act.}

Staff proposes to modify its delivery rates for residential and commercial customers to maintain rate neutrality as a result of the termination of the PILOTs on Gross Income applicable to LIPA and the expiration of an amortization related to the New York State Assessment ("NYS Assessment"). Effective January 1, 2014 the LIPA Reform Act repealed the applicability of Section 186 and 186 (b) of the New York State Tax law to LIPA, which imposed a PILOT of 0.75\% on revenues. Staff is recommending the transfer of revenue equivalent to the Authority’s savings (approximately $26 million) to the Delivery Charge.

The NYS Assessment was first imposed on LIPA effective April 1, 2009. However, its recovery in rates was deferred until January 1, 2010. Therefore, the Tariff authorized the amortization of the NYS Assessment related to the nine months of 2009 in equal installments of $6.9 million per year over the next four years (the “temporary” period specified in the Legislation). Now that the amortization period has expired, Staff proposes to transfer approximately $6.9 million per year currently recovered through rates into the Delivery Charge.

\textit{Miscellaneous Rate Changes}

\underline{Expand the Definition of the NYS Assessment.} The NYS Assessment currently recovers the costs imposed on LIPA under Section 18-A(6) of the Public Service Law. With the passage of recent legislation, LIPA is also subject to Section 18-A(2) of the Public Service Law, but the new legislation provides that the combined assessment under PSL 18-A (2) and (6) will not exceed 1\% of intra-state operating revenue, which is the current level of the 18-A(6) assessment. Staff proposes to include both components of Section 18-A in the NYS Assessment factor which will remain at a constant 1\% of revenue according to the LIPA Reform Act, and cause no increase or decrease in current rates.

\underline{Cancel Service Classification No. 15 – Supplemental Service.} Supplemental Service relates to customers with sources of electric generation not supplied by LIPA, such as on-site generation. Supplemental Service provides the electricity that is in addition to the electricity normally provided from the non-LIPA supply. There are no customers receiving service under Service Classification No. 15 and Staff proposes to simplify the

\textsuperscript{1} For purposes of the rate goal, delivery rates include all rate elements excluding the Power Supply Charge.
Tariff by eliminating Service Classification No. 15 and introducing wording within Service Classification No. 12 to indicate that customers may purchase supplemental service by paying the rates from the service classification they would otherwise qualify for. The terms for providing Back-up and Maintenance Service under Service Classification No. 12 are unchanged.

Staff also proposes to eliminate the distinction under Service Classification No. 12 – Backup and Maintenance Service between customers with or without a host load. Currently, rate code 680 applies to Back-up and Maintenance Service customers that serve a host load. Rate code 681 applies to Back-up and Maintenance Service for generators that do not have a host load to support, so that LIPA is only required to provide a minimal amount of power\(^2\) to “keep the lights on” at the generating facility. Only one customer today pays the rates associated with Rate Code 680 and Staff believes that having two sets of rates is an unnecessary distinction.

**Net Metering.** The New York PSC recently\(^3\) ordered the regulated utilities to raise their cap on net metering\(^4\) to 3% of their peak load in 2005, up from 1%. Last year, and well in advance of the PSC’s decision, LIPA’s Trustees authorized an increase in the cap on net metering to 150 MW, which is 2.9% of LIPA’s peak load in 2005. Staff requests an increase in the cap on net metering to 153.5 MW to match the 3% cap authorized in the rest of New York State for applicable technologies.

Staff also proposes to make explicit in the Tariff the treatment of excess generation for customers on time-of-use rates. The practice at LIPA has been that energy generated in a given rating period can only be credited back to that same rating period. For example, energy generated in the on-peak hours can only be used to offset energy consumed in the off-peak hours. On-peak generation cannot be used to reduce consumption in the off-peak period (or vice versa). This practice is consistent with the manner in which the net metering laws (Public Service Law 66-j and 66-l) have been implemented for the regulated electric utilities in the State.

**Remote Net Metering.** Staff is requesting that the Tariff be modified to update the eligibility requirements of the remote net metering provisions to conform with recent updates to Public Service Law 66-j. This update would permit a farm operation or a non-residential customer generator with eligible fuel cell or micro-hydroelectric generating net-metering equipment to designate credits to any other property owned or leased by such customer-generator within the LIPA service territory.

**Daylight Savings Time.** Staff is requesting to update language in the Tariff regarding Daylight Savings Time (“DST”) for the Residential Voluntary Time of Use rates. The Tariff defines the hours in the on-peak and off-peak periods as if DST was applicable all year long. This happened because the first generation residential Time-of-Use meters (“TOU”) were mechanical and could not change from Standard Time to DST and back as

\(^2\) This minimal requirement is known as Station Service.

\(^3\) On June 13, 2013 in Cases 12-E-0485 through 12-E-0490.

\(^4\) This cap excludes wind customer-generation, which has a separate net metering cap of 15.3 MW as specified in PSL 66-l. No change in the cap on wind net metering is proposed.
needed during the year. Today, solid state meter technologies can accommodate changing from Standard Time to DST and back as needed, and therefore can be programmed to operate according to the prevailing time. Accordingly, the Tariff language change proposed will enable residential TOU customers who have new meters to be billed under prevailing time, making the on-peak and off-peak hours more intuitive to the customers and easier to understand. Existing residential TOU customers will continue to be billed under their previously assigned DST parameters until their meters can be reprogrammed or replaced.

**Role of the Department of Public Service in Handling Complaint Procedures**

The LIPA Reform Act was signed into law with the goal to improve service, reliability, and satisfaction for LIPA’s retail customers. Among other things, the LIPA Reform Act amended the Public Service Law and the Public Authorities Law and authorized the establishment of the DPS LI, which is dedicated to Long Island matters and which is authorized, among other things, to accept, investigate, mediate to resolve, and make recommendations to LIPA with regard to the resolution of consumer complaints. Subsequent to the adoption of this legislation, LIPA staff met with the DPS LI staff and discussed Tariff changes that would accommodate the new DPS LI role and make the Tariff more consistent with the tariffs of the other New York States utilities.

Accordingly, four particular changes to the Tariff have been identified: (1) substituting the DPS LI for LIPA in nearly all aspects of the consumer complaint process; (2) eliminating LIPA’s ability to require advance payments (pre-payments) for service to residential customers; (3) eliminating the charge for testing meters; and (4) allowing physicians assistants and nurse practitioners to certify conditions of medical emergencies that would qualify a residential customer for specific protections under the Tariff.

**Financial Impacts**

No significant financial impacts are anticipated as a result of these proposed changes to the Tariff. Consistent with the goals of the LIPA Reform Act, all of the proposed changes are designed to maintain LIPA’s rates at their 2013 approved levels, excluding the Power Supply Charge.

**Public Comment**

LIPA held public hearings on February 3, 2014 at the Omni Building in Uniondale and the H. Lee Dennison Building in Hauppauge and written comments were accepted through February 10, 2014. No comments were made at the public hearings, no written comments have been received, and the comment period has expired.

**Recommendation**

For the reasons stated, Ms. Nicolino recommended approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.
After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was adopted, with Trustee Alessi opposed.

1210. APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF FOR ELECTRIC SERVICE RELATED TO RATES AND CHARGES, MISCELLANEOUS ITEMS, AND CUSTOMER COMPLAINT PROCEDURES

WHEREAS, on December 12, 2013, the Trustees approved a budget for 2014 that included no increase in the Long Island Power Authority’s (“LIPA”) rates (excluding the Power Supply Charge); and

WHEREAS, the LIPA Reform Act incorporated several changes to LIPA’s cost structure including refinancing a portion of LIPA’s outstanding debt through Securitization, the New York State Temporary Conservation Assessment, and Payments in Lieu of Revenue Taxes; and

WHEREAS, changes in State legislation related to the Temporary Conservation Assessment (PSL-18a) and the Net Metering Laws (PSL-66j and PSL-66l) require LIPA to update its Tariff for Electric Service (the “Tariff”); and

WHEREAS, changes to the Efficiency and Renewables Charge that eliminate the recovery of lost revenues and the revenue and expense true-up mechanism will more closely conform the Tariff to LIPA’s goal of not increasing rates for 2014; and

WHEREAS, staff has withdrawn the recommendation to create a single Efficiency and Renewables Charge for Small and Large Customers (as defined in the Tariff) since it was identified by stakeholders after the close of the public comment period that it may be interpreted as increasing the rates to Small Customers; and

WHEREAS, miscellaneous changes to the Tariff to eliminate Service Classification No. 15 and to update the definition of the rating periods for residential and small commercial time-of-use customers will also help to conform LIPA’s practices more consistently with the regulated utilities in the State; and

WHEREAS, the LIPA Reform Act imposed new responsibilities on the Long Island office of the Department of Public Service (“DPS LI”); and

WHEREAS, the DPS LI staff will accept, investigate, mediate to resolve, and make recommendations related to the resolution of consumer complaints; and

WHEREAS, LIPA staff met with the Department’s Long Island staff and discussed Tariff changes that would accommodate the DPS LI’s new role and make the Tariff more consistent with the tariffs of the other New York State utilities; and

WHEREAS, four particular changes to the Tariff have been identified including: (1) substituting the DPS LI for LIPA in nearly all aspects of the consumer complaint process; (2) eliminating LIPA’s ability to require advance payments (pre-payments) for service to
residential customers; (3) eliminating the charge for testing meters: and (4) allowing physicians assistants and nurse practitioners to certify conditions of medical emergencies that would qualify a residential customer for specific protections under the Tariff; and

WHEREAS, all of the changes are being made in a revenue-neutral manner; and

WHEREAS, following the issuance of public notice in the State Register on December 18, 2013, two public hearings were held in Nassau and Suffolk counties on February 3, 2014, no comments were received at the hearing from the public and no written comments were received during the comment period, and the public comment period has since expired.

NOW, THEREFORE, BE IT RESOLVED, that LIPA staff is authorized to take any and all actions deemed necessary to achieve the revenue neutral changes set forth herein and in the accompanying Memorandum; and

BE IT FURTHER RESOLVED, that the proposed modifications to the Tariff and the attached Tariff Leaves are hereby adopted and approved, effective April 1, 2014.

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The Chair stated that the next item on the agenda is the Consideration of Tariff Modifications Related to Non-Solar PV Generation Resources.

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

Ms. Nicolino presented the following action item:

Requested Action

The Trustees are being requested to approve a resolution adopting modifications to the Long Island Power Authority’s (“LIPA”) Tariff for Electric Service (“Tariff”) to authorize the implementation of a “Feed-In Tariff” arrangement for the purchase of additional non-solar photovoltaic (“PV”) renewable resources from customers for a fixed price pursuant to a 10-year standard power purchase agreement (“PPA”).

Background

On October 25, 2012, the Trustees, in their resolution regarding the Generation and Transmission Request for Proposals, also authorized staff to purchase up to an additional 20 MW of renewable generation from sources other than solar PV generation under LIPA’s Clean Solar Initiative Feed-in Tariff.

The term “Feed-in Tariff” has been adopted throughout the industry to describe an offer to purchase a specific type of renewable generation from willing developers at a fixed price per kWh for a fixed period of time. Under this proposal for renewable generation other than solar PV, the offer price would be established as a “market clearing price” that would
apply to every developer that meets the criteria specified in the Tariff, up to the maximum level of enrollment (i.e., 20 MW).

Once a customer is enrolled under the Feed-In Tariff, that customer would receive the fixed price for 10 years pursuant to a non-negotiable, standard form Power Purchase Agreement (“PPA”), which, among other things, would memorialize the agreement with LIPA related to the terms of the Tariff. The PPA may assist the customer with obtaining financial resources for the project, since it would reflect a commitment on the part of LIPA to purchase the output of the facility for the fixed term at a fixed price. The currently approved PPA was slightly modified to reflect the few modifications reflected in this 20 MW Feed-in Tariff offering.

The Trustees have already authorized the purchase up to 150 MW of distributed solar PV generation under the first two Feed-In Tariffs, and staff proposes to enroll an additional 20 MW of non-solar PV generation in this third round. Customers who enroll in the Feed-in Tariff must sell 100% of the output from their eligible generation directly to LIPA. Each customer site must offer between 100 kW and 2,000 kW of solar generation to participate. A separate meter will be installed to measure the output directly at the generator. None of the output of the eligible generation would be available to serve the customer’s own load and by definition, a customer that participates in the Feed-in Tariff cannot participate in net metering. Similarly, a customer that has received a rebate from LIPA’s renewable program or received other funding from LIPA (such as a research and development grant) cannot participate in the Feed-in Tariff, and conversely, a customer that has enrolled in the Feed-in Tariff cannot receive a renewable generation rebate.

The cost of the Feed-in Tariff would be recorded as purchases of electricity under Service Classification No. 11 Buy-Back Service, and recovered from customers through the Power Supply Charge. LIPA expects to purchase approximately 115.6 million kWhs per year from the 20 MW of non-solar PV generation that is being solicited, which displaces generation that would have been purchased from other sources. The cost of this round of the Feed-in Tariff will reflect the market price to procure such resources and LIPA retains the right to reject any bid price in excess of what LIPA determines it would agree to pay.

LIPA held public hearings on February 24, 2014 at the Omni Building in Uniondale and the H. Lee Dennison Building in Hauppauge, no comments having been received, and written comments were accepted through March 3, 2014, also no comments having been received.

Recommendation

For the reasons stated, Ms. Nicolino recommended approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was unanimously adopted by the Trustees:
1211. APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF FOR ELECTRIC SERVICE IMPLEMENTING A FEED-IN TARIFF FOR RENEWABLE GENERATION OTHER THAN SOLAR PHOTOVOLTAIC (PV)

WHEREAS, on October 25, 2012, the Trustees, in their resolution regarding the Generation and Transmission Request for Proposals, also authorized staff to purchase up to an additional 20 MW of renewable generation from sources other than solar PV generation; and

WHEREAS, Staff has proposed revisions to LIPA’s Tariff for Electric Service (“Tariff”) to authorize the implementation of a third round of “Feed-In Tariff” purchase arrangement under Service Classification No. 11 Buy-Back Service (“SC-11”) for the purchase of up to 20 MW of distributed generation renewable resources other than solar PV for a fixed price pursuant to a 10-year standard power purchase agreement (“PPA”); and

WHEREAS, under the third round of the Feed-In Tariff, LIPA will purchase renewable generation other than solar PV from willing suppliers at a price to be determined by auction among the bidders, with all accepted bidders receiving the same fixed price per kWh for the fixed 10-year term; and

WHEREAS, the pricing structure gives greater certainty to the renewable resource owners who require a steady stream of revenue to support their fixed investment, and provides advantages to LIPA in that the cost of the program would be spread over a 10-year term and LIPA would only pay for renewable generation that is actually delivered by the participant as that generation is produced; and

WHEREAS, enrolling up to 20 MW of solar generation under the Feed-In Tariff for 10 years at a price that reflects the market conditions for renewable generation other than solar PV on Long Island and the cost of the Feed-In Tariff would be recorded as purchases of electricity under SC-11, and recovered from customers through the Power Supply Charge; and

WHEREAS, all developers of solar generation representing commercial and municipal entities will be able to participate in the auction process, with sufficient time provided to develop project proposals and competitive price offerings, thus alleviating the need for first-come, first-served prioritization of projects in a reservation queue; and

WHEREAS, following the issuance of public notice in the State Register on January 8, 2014, two public hearings were held in Nassau and Suffolk counties on February 24, 2014, no comments were received at the hearing from the public and no written comments were received during the comment period, and the public comment period has since expired, Staff has recommended that the Feed-In Tariff proposal be modified as set forth in the accompanying Memorandum.

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed Feed-In Tariff is hereby adopted and approved as modified; and be it further
RESOLVED, that the attached Tariff Leaves reflecting our action herein are approved.

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The Chair stated that the next item on the agenda is the Consideration of Approval of the Financial Report in LIPA’s 2013 Annual Report.

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

Mr. Falcone presented the following action item:

Requested Action

The Trustees are being requested to approve the proposed financial report in the 2013 Annual Report of the Long Island Power Authority (the “Authority”), prepared in accordance with Section 2800(1) of the Public Authorities Law (“PAL”), in the form attached hereto as Exhibit A.

Background

Section 2800(1) of the Public Authorities Reform Act of 2009 (“PARA”) requires the Authority to submit to the Governor, the Chairman and ranking minority member of the Senate Finance committee, the Chairman and ranking minority member of the Assembly Ways and Means committee, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of the Authority’s fiscal year, an Annual Report, which includes, among other things, its financial report. Under Section 2800(1)(a)(2) of PARA, the “financial report” is comprised of the following: audited financials; grant and subsidy programs; operating and financial risks; current bond ratings; and long-term liabilities (the “Financial Report”).

Section 2800(3) of PARA requires the Financial Report to be certified in writing by the chief executive officer and chief financial officer and approved by the Trustees. Accordingly, the proposed Financial Report has been so certified in writing, and thoroughly reviewed by the Finance and Audit Committee of the Board, which has approved a resolution recommending the Trustee’s approval of the Financial Report at this time.

Recommendation

Based upon the foregoing, Mr. Falcone recommended that the Trustees adopt a resolution in the form of the draft resolution attached hereto as Exhibit B.

After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was unanimously adopted by the Trustees:
1212. APPROVAL OF FINANCIAL REPORT IN 2013 ANNUAL REPORT OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, Section 2800(1) of the Public Authorities Reform Act of 2009 (“PARA”) requires public authorities such as the Long Island Power Authority (the “Authority”) to prepare an Annual Report; and

WHEREAS, the Annual Report includes, among other things, a financial report, as defined under Section 2800(1)(a)(2) of PARA (the “Financial Report”); and

WHEREAS, the Authority has prepared its Financial Report, which has been, in accordance with Section 2800(3) of PARA, certified in writing by the Chief Executive Officer and Chief Financial Officer; and

WHEREAS, the Finance and Audit Committee has thoroughly reviewed the Authority’s Financial Report and approved a resolution recommending its approval by the Trustees at this time:

NOW, THEREFORE, BE IT RESOLVED, that the Trustees hereby approve the Financial Report in the 2013 Annual Report of the Long Island Power Authority, in the form presented at this meeting.

The Chair then allowed public comment to be heard.

The Chair then asked for a motion to adjourn to Executive Session to discuss Tax Litigation Matters.

1213. EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

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

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At approximately 1:58 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session, which commenced at 2:10 p.m.

After noting that no votes were taken in the Executive Session, the Chair entertained a motion to adjourn, which was duly made and seconded, after which the meeting ended at 2:55 p.m.
Respectfully submitted,

Lynda Nicolino