

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 195th MEETING

HELD ON JANUARY 22, 2009

Pursuant to notice dated January 15, 2009, the Long Island Power Authority (the "Authority") was convened for the one hundred and ninety fifth time at 11:13 AM at the Omni Teleconference Center, in Uniondale, NY.

The following Trustees of the Authority were present:

**Howard Steinberg, Acting Chairman
Laurence Belinsky
Cristofer Damianos
Lawrence Elovich
John Fabio
Michael Fragin
Christopher Hahn
Susan Gordon Ryan
Jonathan Sinnreich
Suzette Smookler
Lawrence Waldman**

The following Trustees of the Authority were absent:

**Harriet Gilliam
James Herrmann**

Representing the Authority were Kevin S. Law, President and Chief Executive Officer; Lynda Nicolino, General Counsel and Secretary; and Elizabeth McCarthy, Senior Vice President and Chief Financial Officer. Also present were Michael Deering, Vice President-Environmental Affairs; Edward Dumas, Vice President-Communications; Bruce Germano, Vice President-Retail Services; and Sam Lee, Acting Department Head of Power Markets.

Acting Chairman Steinberg addressed the audience and called the meeting to order.

The Acting Chairman stated that this is the January meeting of the Long Island Power Authority pursuant to notice duly given. He noted that the Board is meeting at an historic and important moment for the Country, with the inauguration of a new President. He added that everybody on the Board and at LIPA wishes the new President all the success in the world. He then led the Board in a moment of silence in recognition of our troops abroad, followed by the Pledge of Allegiance.

Acting Chairman Steinberg acknowledged that there are two new Trustees, joining the Board today, Lawrence Waldman and Christopher Hahn. He expressed that the Board is delighted to welcome them, and that they are both impeccably credentialed.

Acting Chairman Steinberg stated that Trustee Waldman is currently the partner in charge of the commercial and audit practice at the accounting firm Holtz Rubenstein Reminick and previously served as a managing partner of KPMG.

Acting Chairman Steinberg stated that Trustee Hahn currently serves as President of the United Way of Long Island. He continued that he is a former Chief Deputy County Executive to Tom Suozzi and that he also served as the Long Island representative of Senator Chuck Schumer. He noted that the Board is pleased to have both of these people as members.

Acting Chairman Steinberg stated that the Board also has some former members to acknowledge. He stated that he is currently the Acting Chairman because the former Chairman, James Larocca, resigned when he was appointed to the NYS Public Service Commission. He added that former Chairman Larocca had an extraordinary command of energy issues. He stated further that former Chairman Larocca was a terrific Chairman in his relatively brief time, serving during an important transition period for LIPA. He acknowledged former Chairman Larocca's service and wished him the best for his continued success on the PSC. He expressed that the Board looks forward to working with him in the years to come.

Acting Chairman Steinberg made a motion to adopt a resolution acknowledging Former Chairman Larocca's service and thanking him for his service to LIPA. Upon motion duly made and seconded, the following resolution was approved unanimously:

904. RESOLUTION HONORING JAMES L. LARocca

WHEREAS, James L. Larocca was appointed by Governor Eliot Spitzer to serve as Chairman of the Board of Trustees of the Long Island Power Authority on October 15, 2007; and

WHEREAS, Mr. Larocca duly served in this position until his resignation on December 16, 2008 in connection with his appointment to the New York State Public Service Commission; and

WHEREAS, Mr. Larocca's remarkable leadership and management of the Board of Trustees was profoundly evident during his tenure; and

WHEREAS, Mr. Larocca graciously gave of his time and shared his wisdom and sound judgment with his fellow Trustees during his fourteen months of distinguished service on behalf of the ratepayers in the Long Island Power Authority's service territory; and

WHEREAS, Mr. Larocca is admired and respected by his colleagues for his outstanding contributions and unwavering commitment to the Board of Trustees:

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of the Long Island Power Authority pause in its deliberations, on this day, January 22, 2009, in honor of Mr. Larocca's dedication to public service; and be it further

RESOLVED, that a copy of this resolution be transmitted to Mr. Larocca with sincere appreciation for his exemplary performance as a Long Island Power Authority Trustee.

Acting Chairman Steinberg stated that there were two former Trustees present at the Board meeting, Michael Affrunti and Nancy Nugent, both of whom

served as LIPA Trustees with great distinction. He continued that Michael Affrunti was a Trustee for thirteen years, and Nancy Nugent was a Trustee for ten years. He added that both of the former trustees contributed tremendously to the success of LIPA during the critical period of time from the conversion of LILCO to where LIPA is today.

Acting Chairman Steinberg stated that everyone is grateful for the former Trustees' service, and that he would be introducing a resolution acknowledging their service and thanking them. He added that LIPA wishes to present to Trustees Affrunti and Nugent plaques of appreciation, which read as follows:

In grateful recognition of your faithful service to the people of Long Island as a Trustee of the Long Island Power Authority. Your thoughtful and diligent work on behalf of Long Island's electric consumers has added immeasurably to the historic accomplishments achieved by LIPA.

Acting Chairman Steinberg then presented the plaques to the former Trustees and called for a vote on the resolutions thanking them.

Upon motion duly made and seconded, the following resolutions were approved unanimously:

905. RESOLUTION HONORING MICHAEL J. AFFRUNTI

WHEREAS, Michael J. Affrunti was appointed by Senate Majority Leader Joseph L. Bruno to serve as a Trustee on the Board of Trustees of the Long Island Power Authority on August 31, 1995; and

WHEREAS, Mr. Affrunti duly served in this position until his resignation on December 10, 2008; and

WHEREAS, Mr. Affrunti graciously gave of his time and shared his wisdom with his fellow Trustees during his 13 years of distinguished service on behalf of the ratepayers in the Long Island Power Authority's service territory; and

WHEREAS, Mr. Affrunti has been admired and respected by his colleagues for his outstanding contributions and unwavering commitment to the Board of Trustees:

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of the Long Island Power Authority pause in its deliberations, on this day, January 22, 2009, in honor of Mr. Affrunti's dedication to public service; and be it further

RESOLVED, that a copy of this resolution be transmitted to Mr. Affrunti with sincere appreciation for his exemplary performance as a Long Island Power Authority Trustee.

906. RESOLUTION HONORING NANCY NUGENT

WHEREAS, Nancy Nugent was appointed by Governor George E. Pataki to serve as a Trustee on the Board of Trustees of the Long Island Power Authority on April 8, 1998; and

WHEREAS, Ms. Nugent duly served in this position until her resignation on July 29, 2008 upon her acceptance of a position with the New York State Consumer Protection Board; and

WHEREAS, Ms. Nugent graciously gave of her time and shared her wisdom with her fellow Trustees during her 10 years of distinguished service on behalf of the ratepayers in the Long Island Power Authority's service territory; and

WHEREAS, Ms. Nugent has been admired and respected by her colleagues for her outstanding contributions and unwavering commitment to the Board of Trustees:

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of the Long Island Power Authority pause in its deliberations, on this day, January 22, 2009, in honor of Ms. Nugent's dedication to public service; and be it further

RESOLVED, that a copy of this resolution be transmitted to Ms. Nugent with sincere appreciation for her exemplary performance as a Long Island Power Authority Trustee.

President Law thanked each of the former Trustees.

Acting Chairman Steinberg made a motion to accept the minutes of the December 11, 2008 meeting of the Board of Trustees. He asked if there were any changes or deletions.

Upon noting that there were none, a motion was duly made and seconded, and the following resolution was approved, with Trustee Waldman and Trustee Hahn abstaining:

907. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE DECEMBER 11, 2008 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on December 11, 2008 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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Acting Chairman Steinberg stated that it has been a little over a year since Kevin Law took over as President and CEO of LIPA. He continued that, particularly in some of the media, President Law does not always get the praise

that he truly deserves for having provided extraordinary leadership during a very difficult time for LIPA, for the economy, and for the ratepayers. He added that on behalf of all the Trustees he would like to express to President Law appreciation for all the work that he has done.

Acting Chairman Steinberg stated that President Law is like the Greek God Poseidon, who carries a trident with three prongs: increased transparency, increased accountability, and increased responsibility. He noted that if you add that to President Law's increased productivity, President Law is a one-man TARP (Troubled Assets Relief Program), just without the funding.

Acting Chairman Steinberg stated that President Law has done a great job, and that President Law is very committed to Governor Paterson's principal goals with respect to increasing renewable and clean energy, expanding LIPA's efficiency programs, and ultimately finding a way to lower LIPA's unacceptably high electric rates. He thanked President Law for his continued service.

President Law thanked Acting Chairman Steinberg.

Acting Chairman Steinberg stated that the next item on the agenda is President Law's report.

President Law stated that he too wanted to welcome the new Trustees, both Larry Waldman and Chris Hahn. He continued that he is excited to have both of them on the Board, and that their presence will serve to strengthen the Board. He welcomed and thanked the new Trustees.

President Law thanked Michael Affrunti and Nancy Nugent for their dedication to LIPA and Long Island, and for their support of the matters he tried to accomplish during his first year in office. He thanked Former Trustee Affrunti and Former Trustee Nugent for all that they have done.

President Law stated that as he has said before, people do not always appreciate it, but the LIPA Board of Trustees serves without any compensation. He continued that Trustees take time away from their families and businesses to provide oversight to LIPA. He added that he wanted to thank the Board on behalf of all Long Islanders for everything that they do for LIPA. He noted that he wishes former Trustees Affrunti and Nugent the best in their new endeavors.

President Law stated that he has a couple things to report on since the last Board meeting. He continued that while not a whole lot has been going on since the last meeting, considering the holidays, there are some things he would like to bring to the Board's attention.

President Law reported that, as he has mentioned in the past and has been reported in the media, he asked for an audit of LIPA's fuel and purchase power supply charge. He continued that LIPA has worked out a Memorandum of Understanding with the Department of Public Service. He added that the RFP to hire a consultant to perform the analysis will be going out on Monday, and that LIPA needed to file it with the New York State Register, which will go out on Monday as well. He noted that the results of the audit will be shared with both the PSC directly and with the State Comptroller, as well as with the Board.

President Law reported that the Office of the State Comptroller has been at LIPA performing audits. He continued that they are finishing up some preliminary audits, and once LIPA has their reports, they will share them with the Board. He stated that he has spoken to Comptroller DiNapoli, and he welcomed his office's review of everything and anything at LIPA. He added that he would like to fix anything that the Comptroller finds that is not being done at its best. He noted that he would like to be held accountable for things that happen under his watch, and that he welcomes the Comptroller's involvement in the organization and will keep the Board abreast of all audit results.

President Law reported that he is excited about the Solar RFP. He continued that LIPA's internal review is just about complete, and that they will be making a recommendation to the Board at the February meeting. He stated that last year, Governor Paterson and he announced that LIPA was soliciting

proposals for the largest solar energy project in the State of New York. He added that LIPA received tremendous responses consisting of very complicated and technical proposals that require a lot of due diligence. He noted that the RFP selection process is being finalized, and that the staff will be making a recommendation to the Board at the February meeting.

President Law reported that LIPA has been working with National Grid to repower some of its older plants and that LIPA has the option to purchase a couple of plants for the purposes of repowering. He stated that he anticipates making a recommendation to the Board on that issue at the March meeting.

President Law reported that one of the items on the agenda today is updating the Board on LIPA's Energy Master Plan and Energy Resource Plan. He added that the Board will see the consistency between LIPA's demonstration of its resource needs and how it plans to meet those needs. He noted that the Board will be hearing more on that later on in the meeting.

President Law also reported that he had his first meeting with the advisory panel he established. He stated that this is the panel with a mixture of state and federal legislators, including Congressman Steve Israel, as well as top business people on Long Island. He added that if there was only one accomplishment of the panel, it was that the meeting was very educational, with some sophisticated Long Island residents learning things about LIPA for the first time.

President Law stated that he thinks that the more LIPA educates people about what it is, what it is not, where its money comes from, where its money goes, the energy challenges that it faces, and what it is doing to meet those challenges, it will be good not only for LIPA, but for all Long Islanders. He continued that the advisory panel is looking at the business model in terms of the public-private partnership that LIPA currently has with National Grid. He added that he envisions the panel will make recommendations to the Board and ultimately to the state delegation and the Governor. He noted that he will keep the Board posted as the panel meets to review the current business model.

President Law next reported that LIPA will be doing management training. He stated that he wants both himself and the top officers to be the best managers they can be, especially given the current economic crisis, both nationally and state-wide. He continued that this is an opportunity to turn good managers into great managers. He added that he will keep the Board posted on the training.

President Law further reported on some of the meetings in which he participated since the last Board meeting. He noted that he gave a speech at the Long Island Agriculture Forum. He continued that the East End farmers are very interested in working with LIPA on renewable energy programs, especially the backyard wind initiative that the Board approved in the 2009 budget, and about which LIPA put out a press release yesterday to educate customers.

President Law also indicated that he held an environmental roundtable with some of the leading environmentalists on Long Island. He stated that he is committed to meeting with them periodically to keep them in the loop as to what LIPA is doing, the challenges before it, and how those challenges are being met. He added that he looks forward to continuing to work with this group. He noted that some participants from that meeting are at the Board meeting, and he thanked them for coming.

President Law continued that he has been speaking all over Long Island for the past year, and held his first meeting in the Rockaways recently. He continued that people forget that LIPA services the Rockaways in Queens. He added that it was a very good meeting, consisting of Community Board 14 and about 100 other people. He noted that the people who came were very interested in a couple of things.

President Law noted that for the first time since the early 1970s, National Grid and LIPA will have a customer service office in the Rockaways, which was budgeted for 2009. He stated that LIPA will be performing a ribbon-cutting in April for the office. He added that there are plenty of customer service facilities in Nassau and Suffolk, and this will be the first time that there is one in the Rockaways. He continued that it is an opportunity for customers there to pay their bills, come in with service requests, and receive answers to any questions they may have.

President Law stated that people at the meeting were also very interested in the offshore wind project that LIPA is exploring with Con Ed, on which he briefed the attendees. He continued that LIPA and Con Ed expect to have their technical analysis completed in another week, and that he will brief the Board on that item in February, including the steps that LIPA can take to move forward if it decides to do so. He noted that he is excited about the opportunity.

President Law also stated that people at the meeting were interested in the Far Rockaway plant, and whether LIPA is going to focus its repowering efforts on the plant. He stated that he was up front with the group and told them that that he did not think it would happen. He continued that LIPA is focused on the EF Barrett facility in Nassau County instead, and that he did not think Far Rockaway was going to make a good candidate, especially since new plants require taller emission towers. He added that given the proximity to JFK Airport, he did not think that was going to make a lot of sense in Far Rockaway. He noted that he briefed the group on all of those issues.

President Law reported that he also spoke before the Long Island Builders Institute (“LIBI”). He stated that the builders are going to be a terrific partner of LIPA. He continued that they have been very supportive of LIPA’s efforts to work with the towns on Long Island to promote Energy Star building codes requiring new construction and new renovations to meet Energy Star standards. He added

that LIPA is going to continue to work with LIBI to promote LIPA's energy efficiency programs.

President Law reported that he had a meeting with Kevin Burke, CEO of Con Edison where they discussed opportunities for Con Ed and LIPA to work together. He continued that the LIPA Board approved Con Ed providing services related to energy management starting in 2010, which is currently handled by National Grid.

President Law next reported that he met with Senator Ken LaValle and talked about working together to address some of the concerns that both he and some of the other state delegation members have concerning the oversight of LIPA and ways that LIPA can be made more transparent.

President Law also reported that he had a meeting with Congressman Gary Ackerman who wants to do whatever he can to help LIPA get an offshore wind project off the ground. He continued that Mr. Ackerman wants to be leading the way in the Queens community to help LIPA, if LIPA decides to move forward with that project.

President concluded his report and Acting Chairman Steinberg asked whether there were any questions from the Board.

Trustee Fragin indicated that he had a question with regard to the PSC issue. He stated that it has been reported that several members of the state delegation have announced their intent to push once again for PSC oversight of LIPA in the coming session. He asked if any of those members were on the advisory committee. He further asked if the topic came up at the advisory committee meeting, and how will LIPA effectively communicate that it believes that such legislation would have a deleterious effect.

President Law stated that the issue did not come up at the advisory panel, but that some of the members of the panel were co-sponsors or supporters of the legislation in the past. He continued that he has committed to working with the state delegation on ways to improve or address the concerns that they have, consistent with the positions that LIPA took last year. He noted that those positions or concerns have not gone away.

President Law stated that he cannot control what bills may be introduced, but that LIPA staff is monitoring the situation diligently, and working with members of the Legislature. He added that he has continued to express his willingness to sit down and work with the members in the future. He noted that while there is nothing new to report, it does not mean that a bill will not be filed tomorrow, to which LIPA will need to respond.

Trustee Fragin asked a follow up question. He stated that the Board members received a letter regarding hearings to be held by the Assembly Minority concerning LIPA on February 6, 2009. He asked if President Law knew what was on the agenda for those hearings and who will be participating.

President Law stated that he spoke to one of the chairs, Assemblyman Bob Barra from Nassau County. He continued that Assemblyman Barra expressed his willingness to work with LIPA. He stated that the Assemblyman mentioned that he thought President Law was doing a very good job, and that it was not going to be a hearing at which LIPA would be attacked or at which grandstanders would be allowed to come and sensationalize some of the things that tend to happen at LIPA meetings. He added that the Assemblyman invited him to the hearing, and he accepted. He noted that he will be prepared to attend and educate the panel on reoccurring issues: who LIPA is, who LIPA is not, where LIPA's money comes from, where LIPA's money goes, the challenges before LIPA, and what LIPA is doing to meet those challenges. He added that he will also be answering any related questions, and he welcomed the Assembly's interest in working with LIPA.

Acting Chairman Steinberg stated that he had an observation to make regarding the PSC. He continued that President Law, from the very beginning, indicated that he is open to being transparent and has proactively acted on that. He added that the President has invited a number of audits from the Office of the

Comptroller. He noted that LIPA's issue is not of being transparent or of being examined, audited, or criticized, but rather the issue is that PSC regulation will lead to increased rates, something that the public and LIPA ratepayers need to be concerned about.

Acting Chairman Steinberg stated that the reason why PSC regulation will lead to increased rates is that it will cost LIPA to fund the PSC activities, and more importantly, the rating agencies that rate LIPA's bonds have indicated, very clearly, that it is a very important component of their analysis of LIPA and LIPA's financial well-being that it has the flexibility to respond to situations where rates need to be adjusted. He continued that if that is taken away from LIPA because of PSC oversight, LIPA is at substantial risk of losing its good credit rating. He added that because LIPA is a significant borrower in the municipal bond markets, PSC oversight will increase the cost to LIPA, which is a cost that will be passed on to ratepayers, so people ought to be very clear about the situation. He noted that the issue is not one of concern about LIPA being looked at or being transparent, but it is a concern about increases to already unacceptably high electric rates.

Acting Chairman Steinberg stated that next on the agenda is the financial report, which is to be delivered by Ms. McCarthy.

Ms. McCarthy stated that for the eleven months ended November 30, 2008, there was an excess of revenues over expenses of \$25 million, which is below budget for the period. She continued that revenues for the period were \$64 million or 2 percent below budget and approximately half of that was due to lower than anticipated growth and the remainder due to the effects of weather. She added that overall for the period, sales were 2.6 percent below budget.

Ms. McCarthy reported that fuel and purchase power expenses for the period were \$31 million or 2 percent over budget. She continued that this is a result of a \$100 million of higher commodity costs offset by \$68 million, the impact of lower sales for the period. She added that O&M expense was also 2 percent, or \$13 million below budget, and that is primarily timing related differences in the Clean Energy Program as well as the impact of lower sales on our Management Services Agreement and Power Supply Agreement charges.

Ms. McCarthy reported that in the areas of salaries, benefits, professional services, and general expenses, each was about \$2 million below budget, which is a result of changes in the timing of the staffing additions as well as controlling costs with respect to outside consultants. She continued that depreciation and amortization is \$7 million, or 3 percent, below budget due to the extension of the Nine Mile Power Plant's license. She added that interest expense for the period was about \$3 million, or 1 percent over budget, which is a result of both the replacement of certain of LIPA's variable rate debt with fixed rate debt as well as

the impact of the general financial crisis on LIPA's interest rate expense for the period.

Ms. McCarthy reported that LIPA ended the period with \$368 million of cash which is invested in a variety of instruments, with 96 percent of that in maturities of three months or less. She continued that as an update on the financing side, in December of 2008, LIPA issued about \$100 million of commercial paper to improve its liquidity at year end. She added that last week, LIPA was in the debt markets and did a transaction for \$435 million. She noted that \$210 million will be for new money to fund LIPA's ongoing capital program and the remainder is for refunding the remaining portion of LIPA's insured variable rate bond portfolio, which is scheduled to close on January 28, 2009. Ms. McCarthy concluded her report and called for questions.

President Law asked if all three rating agencies affirmed LIPA's A rating for that refinancing.

Ms. McCarthy stated that LIPA was affirmed at A minus, A minus, and A-3, with a continuing negative outlook from Fitch.

President Law asked if the negative outlook was because of the fear of the PSC legislation again.

Ms. McCarthy stated that was correct.

Acting Chairman Steinberg stated that he thinks Ms. McCarthy and her staff should be complimented for being able to do this financing. He continued that this is a very difficult credit market, and it is very difficult for anybody, institutional or otherwise, to borrow money in this environment. He added that it is a great tribute, and he thinks that it speaks to the leadership at LIPA, that the market had the confidence to purchase \$435 million of LIPA bonds in this type of environment.

Trustee Smookler asked that when the legislators look for increased oversight – and considering LIPA’s position of not having any problems with transparency – how do the legislators respond to the effect that the oversight would have on rates. She continued that it is obvious that LIPA’s bond ratings would be affected, and that the last time there was exposure, the newspapers and media explained it. She further questioned that as the legislators continue to pursue this oversight, what will their response be to the fact that it would actually increase rates. She wanted to clarify that this was an appropriate question to ask.

President Law stated that it was an appropriate question and that he is going to submit to the Trustees a one-page fact sheet on the concerns that LIPA has, and what he has stated to the legislators. He noted that he thinks this will be helpful.

Acting Chairman Steinberg stated that next on the agenda is the operating report, which will be delivered by Mr. Hervey.

Mr. Hervey reported that given some recent newspaper articles regarding LIPA's reliability, he is going to concentrate on comments about reliability. He stated that this is a good opportunity to brief the Board on where LIPA is and also to fill in some of the open spots that were left by the news articles. He continued that he is going to provide some background on the reliability and metrics, and some of the items discussed in the recent newspaper articles.

Mr. Hervey stated that the LIPA/National Grid service agreement contains 18 performance metrics, which are designed not so much as a minimum standards test, but as tough performance metrics throughout the term of the contract, consistent with the desired level of service to customers that LIPA would like to keep. He continued that this includes keeping LIPA in the top quartile of reliability performance when compared to investor-owned utilities in the U.S. He noted that LIPA holds itself to a very high standard, which is a higher standard than any of the other utilities in New York State are held to.

Mr. Hervey reported that 9 of the 18 metrics are focused on operational performance. He continued that each of the metrics has a penalty level, target level, and an offset level. He added that superior performance beyond offset

levels of some metrics can be used to offset penalty performance in certain other metrics.

Mr. Hervey reported that in 2008, 7 of the 9 metrics were at targeted performance. He continued that LIPA just learned in the last day that the time required for the restoration of underground cables has attained superior performance, and that only the Customer Average Interruption Duration Index (“CAIDI”), which will be addressed later, did not attain the targeted performance. He added that as previously stated, the metrics are designed to enable superior performance of some specific metrics to offset below target performance in other metrics. Mr. Hervey stated that five of the operational metrics were designed to measure reliability. He noted that as he had stated before, reliability is a very important thing for LIPA to monitor in the operation of its system.

Mr. Hervey reported that the System Average Interruption Duration Index, (“SAIDI”), which is the average minutes of the non-storm outages experienced by LIPA’s customers and is considered the most important reliability criteria, actually decreased to 63 minutes, a 1.4 minute, or 2.2 percent, improvement over 2007. He stated that since this is an average number, some customers naturally may see more outages and some customers may see fewer and less frequent outages.

Mr. Hervey stated that the System Average Interruption Frequency Index, or (“SAIFI”), is another metric that represents the average time between non-storm outages. He continued that it increased, or improved, to 15.6 months, a 1.8 month, or 16.4 percent, improvement over 2007. He added that this is only the fourth time since 1965 that this metric has surpassed 15.5 months.

Mr. Hervey reported that Storm CAIDI represents the time to restore an outage during a storm period. He continued that it was in the target range of 124 minutes. He continued that 124 minutes for storm performance is better than the sunny day performance of many of the other New York State regulated utilities. He stated that multiple customer outages, which is another metric that represents the number of customers experiencing more than three non-storm outages, was also at target range. He added that as stated previously, only the CAIDI which is the time to restore a non-storm outage, finished outside of the target range.

Mr. Hervey reported that overall in 2008, LIPA had a very good year for reliability. He stated that LIPA went into the year with a focus on reducing the number of customers impacted by outages. He continued that the number of customers experiencing an outage actually dropped by 14 percent compared to 2007. He reminded the Board that earlier in the year he had brought to their attention some concerns about both the SAIDI and CAIDI metrics. He added that at that time, he described some of the programs that National Grid and LIPA implemented to possibly impact those metrics in 2008.

Mr. Hervey reported that the programs implemented included increasing the miles of trees trimmed by 400 miles, circuit improvement program with 31 circuits, which was an increase over the previous year by almost 160 percent. He stated that LIPA completed 200 circuits of additional circuit improvement programs and inspected the condition of one thousand miles of distribution line. He continued that customers affected by intentional interruptions were 44 percent lower in 2008, and that is because LIPA focused on decreasing intentional interruptions, which are required to make the circuits safe for crews to work on. He added that the number of intentional outages was down slightly, but the policy of performing other switching to decrease customers' impact, which was initiated in 2008, led to that dramatic drop. He noted that a multiple fuse inspection program was put in place in the third quarter to reduce the number of neighborhood level outages as well.

Mr. Hervey reported that these programs were successful, as he described earlier, in turning the SAIDI metric in the right direction, and in fact, creating an improvement for SAIDI over 2007. He stated, as before, that CAIDI is the average restoration time LIPA calculates for restoring a customer. He added that LIPA calculates CAIDI the same way that the PSC does for regulated utilities. He noted that this calculation includes exclusions for certain events.

Mr. Hervey reported that one possible exclusion is for storms that have customer outages of more than 24 hours in length. He stated that for this

exclusion to be applied to each operating division, if there is a single customer out for more than 24 hours, the restoration jobs for that entire division are eliminated from the metric and the calculation. He explained that since LIPA's improved storm response has dramatically reduced the number of 24-hour outages, there are fewer exclusions and therefore, more longer-term outages are being calculated in the normal CAIDI metric, which drives the metric higher.

Mr. Hervey reported that while the reliability programs were very successful at reducing customers impacted by outages, they also drove up a number of small outages as a percent of the total number of outages. He continued that small outages such as customer outages, blown fuses, and transformer failures take longer to restore. He explained that in many respects, the CAIDI metric missing its target is misleadingly higher because of improved performance of the electric system during some storms. He added that as a result, CAIDI did, in 2008, increase to 81.7 minutes, with the penalty set at 75.6 minutes. He noted that this performance is still top quartile when compared to investor-owned utilities across the nation.

Mr. Hervey reported that in 2006, under similar circumstances, the CAIDI standard was also not achieved. He stated that it is a very tough standard to meet, and at this point, he expects CAIDI to continue to improve. He added that as he mentioned earlier, even in the third quartile, LIPA implemented additional

programs. He concluded his report and called for any questions regarding the operating report, the newspaper article, or the reliability of the system.

President Law stated that he had three quick questions. He asked if LIPA sets the bar very high for National Grid.

Mr. Hervey answered that it does. He explained that the metrics are set at the first quartile – top quartile, that is, top 25 percent for nationwide performance.

President Law asked to clarify that LIPA set the bar high and National Grid missed it. He also asked if National Grid is still in the top ten percent in New York State for overhead utilities.

Mr. Hervey stated that LIPA did set the bar high and National Grid missed it. He continued that that National Grid is actually top ten percent nationwide and will most likely be, when all utilities report their numbers, top in the State.

President Law stated that what he would like to drive home to the Board is that while National Grid did not meet the metric, and there will be a fine imposed, they are not driving the system into the ground, despite what is circulating in the media. He emphasized that is just not the case. He explained that if National Grid makes an error, he will be the first one to take them to task, but in the present instance, he thinks it was unfair. He stated that to draw an analogy, this is as if

the Yankees required Derek Jeter to hit at .340, or he would be penalized, and he batted at .333. He noted that most people would agree that he still had a really good year.

President Law stated that LIPA set the bar high for National Grid, and while they missed it, they are still doing a great job for LIPA. He continued that the men and women of IBEW 1049 are out working at 2:00 am, in freezing rain when temperatures hitting ten below with wind chill factors, working to get the lights back on. He added that they are doing a great job for LIPA, and they should be commended.

Acting Chairman Steinberg asked if there were any other questions.

Trustee Sinnreich asked Mr. Hervey about the data source for the SAIDI and CAIDI. He asked if it is an automated, real-time measurement or if it is customer response. He further asked about the data source from which calculations get made.

Mr. Hervey reported that the data is essentially automated. He stated that it is generated when an outage is identified in the field, and it includes tracking the number of customers in that outage. He continued that once restoration is done, there is a manual step. The employees responsible for restoration go back to make sure that they have identified all of the appropriate customers. He added

that this allows LIPA to notify customers by giving them a call back with the new callback system or just ensuring that records are correct. He noted that beyond that, the way of measuring is automated.

Mr. Hervey stated that the metric itself is a standard in the United States. He added that it is an equation that LIPA implements looking at the customer outages.

Trustee Smookler asked if Mr. Hervey could go over the piece that makes longer outages exclusionary.

Mr. Hervey explained that one of the ways that an outage can be excluded from the metric, and why you want to exclude something, is because it is abnormal or abnormally long. He continued that one of several rules is a 24-hour exclusion, which means that any time an operating division – LIPA has four operating divisions– goes beyond 24 hours for even a single customer, all of the storm related outages for that storm are taken out of the metric. He stated that on average, during a storm, LIPA is restoring customers at 120 minutes or two hours, with some going much longer. He added that on normal days, LIPA runs more around 60 or 70 minutes, including the batch of outages that are two hours long, into an average of a bunch of one-hour outages. He noted that simply by having the exclusion, those numbers would come out of the metric, but since

LIPA has not often seen 24-hour outages over the past few years, the longer outages are included in the metric.

Trustee Smookler thanked Mr. Hervey and stated that she thinks that LIPA is doing a great job.

Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the approval of a property acquisition for Bridgehampton for the Bridgehampton Substation expansion project. After requesting a motion on the matter, the Acting Chairman indicated that the matter would be presented by Ms. Nicolino.

Ms. Nicolino stated that the Trustees are being requested to adopt a resolution authorizing the President and CEO or his designee to execute an agreement for the acquisition of real property necessary to expand the Bridgehampton substation. She continued that for the Long Island Power Authority to continue to ensure timely, adequate, and reliable electric service to its customers, LIPA staff has determined that it is necessary to expand the existing distribution substation in Bridgehampton by adding a new transmission substation on that same property. She added that the project will allow the recently constructed Southampton to Bridgehampton transmission line to interconnect to this substation. She noted that currently, the line bypasses Bridgehampton and connects in Easthampton. Ms. Nicolino stated that the

project will also allow for the upgrading of other connections to previously existing transmission lines and generally provide for a more reliable support to the Long Island system on the southern end.

She continued that the existing Bridgehampton distribution system is located on Bridgehampton-Sag Harbor Turnpike and provides for very limited access to the rear of the property where the proposed new transmission substation is planned to be built. She added that there are two wetlands protected by the Town of Southampton, which trifurcate the existing property and limit the design alternatives for this addition.

Ms. Nicolino stated that the property proposed to be acquired is triangular in shape and immediately adjacent to the existing property. She continued that it consists of 1.7 acres and will provide 738 feet of additional road frontage as well as necessary access to the rear portion of the existing property. She added that acquiring the new parcel will allow the transmission substation to be built on 300,000 square feet of the rear portion of the existing property without taking more expensive measures to design around the wetlands.

Ms. Nicolino noted that the new parcel is the only available property adjacent to the existing property since development rights for the other adjacent parcels have already been sold. She continued that as such, LIPA approached the owner of the new parcel to solicit interest in a sale. She stated that after obtaining

two appraisals, LIPA was able to successfully negotiate a purchase price of \$400,000 for the parcel. She added that this purchase price is lower than the higher of the two appraised values and represents a significant savings to LIPA in light of the avoided reconfiguration project costs.

Ms. Nicolino noted that in connection with the Southampton to Bridgehampton transmission line project, the environmental review required under SEQRA for this project was included therein, the Trustees having adopted such findings on February 26, 2008.

Ms. Nicolino stated that on the above basis, it is recommended that the Board adopt the resolution in the present form.

After hearing no questions or comments, Acting Chairman Steinberg called for a vote on the motion, which was approved unanimously:

908. AUTHORIZATION TO ENTER INTO AN AGREEMENT TO PURCHASE REAL PROPERTY AND UNDERTAKE RELATED ACTIVITIES IN CONNECTION WITH THE BRIDGEHAMPTON SUBSTATION EXPANSION PROJECT

WHEREAS, the Long Island Power Authority (“LIPA”) is committed to providing reliable electric service to its customers on Long Island; and

WHEREAS, the growing Long Island economy and other factors have resulted in an increasing demand for electricity that is projected to continue into the foreseeable future; and

WHEREAS, LIPA Staff have concluded that in order to ensure timely, adequate and reliable electric service to LIPA’s customers and meet reliability criteria, it is

necessary for LIPA to acquire real property immediately adjacent to its existing property on Bridgehampton-Sag Harbor Turnpike in Bridgehampton to promptly site, undertake and complete the Bridgehampton Substation Expansion Project (the "Project"); and

WHEREAS, the existing property at the Bridgehampton Substation lacks adequate access for the construction of a new transmission substation on the property and existing adjacent wetlands make the design for the expansion expensive; and

WHEREAS, the most-cost effective way of performing this expansion is by acquiring available property adjacent to the existing substation (the "new parcel"); and

WHEREAS, in order to determine an appropriate purchase price for the new parcel, LIPA obtained two independent appraisals which established a price range for negotiations with the owner of the new parcel; and

WHEREAS, based upon the appraisals and negotiations with the owner, a purchase price of \$400,000 was arrived at and has been determined to be reasonable both in light of the market value and the costs LIPA will avoid by not having to reconfigure the substation; and

WHEREAS, on February 26, 2008, the trustees adopted findings under the state environmental quality review act in connection with the Southampton to Bridgehampton transmission line project, which determined that the project will not have any significant adverse environmental impact:

NOW, THEREFORE, BE IT RESOLVED, that the President and Chief Executive Officer his designee be and hereby are authorized to execute and effect an agreement for the acquisition of the real property needed for the Project and to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the President and Chief Executive Officer or his designee, to implement the Project in order to ensure timely, adequate and reliable electric service to LIPA's customers and meet reliability criteria.

* * *

Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the approval of LIPA's Energy Efficiency and Environmental Committee Charter. After requesting a motion on the matter, the Acting Chairman indicated that the matter would be presented by Trustee Chris Damianos.

Trustee Damianos stated that in connection with the action item before the Board, he would first give a brief overview of the activities of the Energy Efficiency and Environmental Committee. He continued that this Committee has discussed the closeout of the Clean Energy Initiative, which expired on December 31, 2008. He added that the results of his initiative will be reported to the Trustees as soon as all of the data is in and analyzed.

Trustee Damianos stated that the Committee discussed the parameters of the new initiative, called Efficiency Long Island, which is a ten-year comprehensive energy efficiency program that exceeds and expands on the energy efficiency portion of the Clean Energy Initiative by emphasizing peak demand reduction. He continued that the Committee also reviewed the charter being proposed today and it believes it constitutes an appropriate governing document for the Committee's future activities. He added that in that regard, the Committee will hold additional meetings over the next couple of months in order to present to the Trustees its recommendations as to the policies and programs to effectuate the goals of Efficiency Long Island.

Trustee Damianos stated that on the above basis, it is recommended that the Board adopt the resolution for the Committee Charter at this time.

Acting Chairman Steinberg thanked Trustee Damianos and stated that this represents a very positive step in the commitment of LIPA, as advocated by

President Law, to move forward in a material way with energy efficiency and clean energy. He added that this is a very good and active committee, with a good charter, and the Board looks forward to a lot of positive input from this group. He called for any comments or questions.

President Law indicated that the Committee includes Trustee Fragin, Trustee Damianos, Trustee Gordon Ryan, Trustee Waldman, and Trustee Hahn. He added that he may ask an additional Trustee to sit on the Committee as well. He clarified that it is a Board committee, similar to how LIPA currently has a Governance Committee, a Finance and Audit Committee, and a Personnel and Compensation Committee. He noted that this will be the fourth committee of the Board.

After hearing no additional questions or comments, Acting Chairman Steinberg called for a vote on the motion, which was approved unanimously:

909. ADOPTION OF THE CHARTER OF THE ENERGY EFFICIENCY AND ENVIRONMENTAL COMMITTEE OF THE AUTHORITY BOARD OF TRUSTEES

WHEREAS, the By-laws of the Long Island Power Authority adopted, as amended, on January 24, 2008, established an Energy Efficiency and Environmental Committee of the Board of Trustees (the Committee); and

WHEREAS, the By-laws further require that the Committee be responsible for reviewing and recommending to the Board of Trustees, policies, plans, programs and expenditures designed to facilitate the development of technically and economically feasible energy efficiency and renewable resource measures and projects and repowering opportunities; and

WHEREAS, it is desirable to formalize the purpose, powers, activities, structure, composition and responsibilities of the Committee at this time through the implementation of a governing Charter; and

WHEREAS, the members of the Committee have reviewed the proposed Charter, as attached hereto, and recommend, by way of resolution, that the Board of Trustees adopt the Charter accordingly:

NOW, THEREFORE, BE IT RESOLVED, that the Trustees hereby adopt the Energy Efficiency and Environmental Committee Charter presented at this meeting; and be it further

RESOLVED, that this resolution take effect immediately.

*** * ***

Acting Chairman Steinberg stated that the Board will now have a discussion on resource planning issues, which will be presented by Jim Parmelee, LIPA's Executive Director of Power Markets.

President Law stated that while Mr. Parmelee is getting set up, he wanted to mention one thing that he forgot in his President's report. He continued that he likes to acknowledge any new LIPA employees to the Board, and today he would like to introduce Wanda Hord, LIPA's new Director of Human Resources and Administration. He added that she has 25 years of human resources experience and the staff welcomes her aboard. President Law also introduced Rick Shanksy, who is manager of power markets contracts, working with Sam Lee. He noted that he has over twenty years utility experience, including a stint at Con Ed. President Law welcomed both new staff members.

Acting Chairman Steinberg welcomed both new staff members as well.

President Law indicated that he wanted to introduce Mr. Parmelee before he began his formal presentation. He stated that Mr. Parmelee has been with LIPA for eight years and heads up and oversees all of LIPA's resource planning efforts. He noted that Mr. Parmelee is a terrific employee and very knowledgeable on a host of energy issues.

Mr. Parmelee made a presentation to the LIPA Board of Trustees on the status of the LIPA Electric Resource Plan. Following his presentation, the Trustees asked a number of questions.

Trustee Sinnreich stated that he had a question on the load forecasting. He continued that it is his understanding that LIPA is forecasting a 33 percent load increase over the next 20 or so years. He asked about the principle driver of the forecasted increase. He questioned whether it is population growth or new devices that will require more power, and asked how confident LIPA is in that projection.

Mr. Parmelee stated that the bulk of the growth appears to be with new devices, which has been the pattern that LIPA has seen over the last year. He noted that Long Island's population has been growing slowly. He added that new devices and commercial development on Long Island have been a significant

driver, and LIPA has built into its forecast the assumption that new devices will come along. He noted that one of the big uncertainties that LIPA has is with regard to electric vehicles and/or hybrid vehicles.

Trustee Sinnreich asked if Mr. Parmelee meant plug-ins.

Mr. Parmelee clarified that he was referring to plug-in hybrid electrics. He stated that right now the forecast assumes no explicit growth in that area. He continued that if the vehicles take off, there could be much faster growth, and then the question is, how LIPA manages that growth. He added that ideally, the vehicles would be charged off-peak, and therefore, they would not contribute to summer peak. He noted that is still an uncertainty.

Mr. Parmelee stated that the economy is also a big uncertainty. He continued that LIPA has projected lower growth for the next five years, indicating a significant economic downturn. He added that faster than expected recovery is an uncertainty, and the downturn lasting longer than five years is another uncertainty.

Mr. Parmelee stated that the forecasting process is designed to capture a number of factors. He offered the example of people saying that Long Island is running out of room for development. He continued that while that is true to some extent, there is a lot of area out east that can still be developed.

Trustee Sinnreich stated that his second question is in terms of projected comparisons between the load forecast and the capacity and need. He asked if that includes the loss of capacity during repowering. He further asked if that included the need to take down existing plants and whether that was included in the figures.

Mr. Parmelee stated that the projection assumes no action for retirement or repowering.

Trustee Sinnreich asked if in order to re-power, LIPA is going to have to take down major generations for periods of time.

Mr. Parmelee stated that for some options, that is correct. He continued that with other options, LIPA can keep the existing plant running up until the last minute. He noted that it varies depending on the choice made.

Mr. Sinnreich clarified that if LIPA makes the choice to do that in a way that would require it to take down a plant, then LIPA would need more capacity.

Mr. Parmelee agreed.

Trustee Fabio stated that it would seem that in the current structure, as Mr. Parmelee outlined it, there is an inherent planning conundrum with which LIPA is

always faced. He continued that to go back to some recent criticism that LIPA faced about currently having over-capacity, this is because LIPA did not have a crystal ball five or six years ago when it started planning to fit the current assets on line. He added that it would seem that by 2017, LIPA would need to address having additional capacity to meet these requirements.

Trustee Fabio stated that it seems to take five or six years to develop the kind of assets that would address the issue, but LIPA does not have a crystal ball to know what it will need in 2017. He continued that the era of the electric car is just beginning and that perhaps by 2017, the era will have passed, and there will be some other source fueling automobiles. He added that it seems that no matter what LIPA does, as best it can try to forecast and anticipate a plan, it does not know the impact that events will ultimately have. For example, we do not know how global warming will affect the weather, which has a tremendous impact on capacity needs. He noted that the advent of technology in the next 15 to 20 years will also have an impact on the economic forces that will be at play.

Trustee Fabio stated that LIPA is trying to always play a sophisticated guessing game, and it may not always come out on the right end of it.

President Law stated that was a good point. He continued that LIPA has to plan for peak demand, which means that it has to plan for the two worst days of the year. He pointed out that a county or state would not build a highway to only

handle Fourth of July traffic, but would build a road for the normal load. He continued that LIPA has to build a system for the two worst days of the year, even though a normal day's load would require only about half the amount of energy that would be needed on a 95 degree day in August. He noted that LIPA has to have a system in place to meet the reliability requirements.

President Law stated that he wants to keep LIPA moving forward to introduce more renewables and efficiency into its portfolio in order to avoid having to build new resources. He continued that if LIPA is going to be building new resources, it needs to have the political will to retire some of the older, less efficient plants as well. He added that it is a way to adjust the crystal ball because, for example, you do not want to be in 2017 and say we over built because the economy has declined and Long Island lost 300,000 people. It provides LIPA the opportunity to retire the older plants.

Trustee Fabio stated that the converse is true if there is a boom.

President Law stated that is why the plan needs to be flexible. He continued that it needs to be living, and it cannot be adopted with the expectation that LIPA is going to implement every aspect of it. He continued that LIPA continues to monitor it on a regular basis. He added that nobody could have predicted the last year, but now that it has passed, it can be taken into

consideration in the forecast. He noted that the plan will be amendable and flexible to change.

Trustee Fabio clarified that was why he prefaced his comments by saying within the existing structure.

President Law agreed.

Trustee Fabio stated that given all of the requirements that are laid upon LIPA, the structure needs to somehow be changed, modified, or made flexible to give LIPA the ability to do the best kind of planning that it can given the fact that there is no crystal ball.

President Law stated that was a good point. He stated that the reason why he wanted to have this presentation for the Trustees, especially with some new members present, was because it is good background information. He continued that he wanted the Trustees and the public to understand that LIPA does not make these decisions in a vacuum. He added that LIPA has federal and state requirements, which dictate what its resources and capacities need to be.

President Law stated that LIPA's planning process is based on a very broad approach by trying to work cooperatively with the State, looking at what other utilities are doing, and engaging the public in the process. He continued

that LIPA then tries to take all of the best information that is available, forecast it into this complicated model, and then try to make decisions based on all of that information. He added that this is not done willy-nilly, but rather with a very sophisticated and professional planning approach. He noted that the actual implementation of the plan will be brought before the Board.

President Law stated that he wanted everyone to be aware of how the decision making is done at LIPA and how LIPA tries to go about predicting what its resource needs are going to be and the steps taken to meet the resource needs. He continued that there is some uncertainty, and there is a lot of unpredictability, but that LIPA tries to do the best it can given the information it has, while always remaining willing and open to change as things change, certainly in the areas that can be controlled.

President Law stated that as Mr. Parmelee had pointed out, the decisions made over the last several years have put LIPA in a good position today. He continued that LIPA is meeting its requirements, and that there is neither an overabundance of capacity nor an overabundance of contracts for LIPA power. He noted that he thought it was important for the Board to be aware of the entire planning process and what LIPA does in terms of moving forward and realizing that he wants to continue changing the mix, the portfolio, and sources of power by introducing more efficiency and more renewables into the portfolio. He stated that he hoped the presentation was helpful and called for any other questions.

Trustee Fragin stated that he had a question related to capacity. He asked that when capacity is discussed, is it purchased capacity or is it the capacity that could be included in what is available on the spot market.

Mr. Parmelee said that it was both. He stated that for the Long Island market, LIPA has contracted capacity and spot market capacity. He continued that LIPA does not count on the spot market building new capacity on Long Island on speculation, which LIPA believes is unrealistic. He added that if the capacity already exists on Long Island or if it is under construction, LIPA will consider it being some of the capacity on Long Island, but most of the capacity on Long Island is contract capacity.

Mr. Parmelee stated that for the statewide requirement, there is a variable statewide market for the rest of the state, and that LIPA relies heavily on the spot market capacity for that requirement. He added that LIPA assesses that market and if the market changes, LIPA might have to contract for the rest of the state capacity as well.

Trustee Fragin stated that he also had a question regarding the off-island capacity for which LIPA has entered into contracts, including looking upstate for hydropower. He asked how the exploration for new power is affected by LIPA's requirement to have 97 percent of its capacity from on-island sources. He further

asked that if LIPA is going out and looking for new sources, but those sources are not going to benefit LIPA, does LIPA still have to continue looking off-island.

Mr. Parmelee asked if the question is, if LIPA builds resources on-island, does that reduce the amount of capacity that LIPA needs to buy off-island.

Trustee Fragin stated that he assumes that it does. He clarified that several times over the past year or two, LIPA has looked off-island for resources, but if LIPA is required to have almost all resources on-island, why does it look off-island.

Mr. Parmelee stated that the two contracts to which Trustee Fragin might be referring, including the Bear Swamp contract and the Markus Hook contract, are counted toward the on-island requirements because LIPA's transmission lines are counted toward the requirement.

President Law stated that regarding the target timeline of the Electric Resource Plan, LIPA is going to complete a draft and post it on the website in February. He continued that he will hold public hearings and answer questions for the public in the spring, and then report back to the Board on this issue.

Acting Chairman Steinberg thanked everyone for their comments. He stated that LIPA's first obligation is to make sure that the lights stay on, and to do

that, LIPA needs capacity. He continued that he thinks any impartial observer would conclude that the planning process that LIPA has undergone and undertaken over the last seven years has been a prudent one. He added that the charts, the usage and the numbers show just that. He thanked everyone for their help.

The Acting Chairman then allowed public comment to be heard. After the conclusion of all public comments, Acting Chairman Steinberg announced that the next Board meeting is scheduled for February 26, 2009 at 11:00 am in Uniondale. He then called for a motion to enter executive session to discuss litigation matters and proposed property acquisition/disposition. Upon motion duly made and seconded, the following motion was approved unanimously:

910. 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 property acquisition.

* * *

At approximately 1:32 p.m. the open session of the Board of Trustees was temporarily adjourned and an Executive Session of the Board of Trustees was convened.

After noting that no votes were taken in the Executive Session, Acting Chairman Steinberg entertained a motion to adjourn. Upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 2:36 p.m.

Respectfully submitted,

Lynda Nicolino