

**LONG ISLAND POWER AUTHORITY  
MINUTES OF THE 184th MEETING  
HELD ON OCTOBER 25, 2007**

Pursuant to notice dated October 22, 2007, the Long Island Power Authority (the "Authority") was convened for the one hundred and eighty-fourth time at 11:18 AM at the Omni Teleconference Center, in Uniondale, NY.

The following Trustees of the Authority were present:

**James Larocca, Chairman  
Howard Steinberg, Vice Chairman  
Michael Affrunti  
Lawrence Elovich  
Michael Fragin  
James Herrmann  
Nancy Nugent  
Jonathan Sinnreich  
Suzette Smookler**

Also representing the Authority were Kevin Law, President and Chief Executive Officer, Lynda Nicolino, Acting General Counsel, Seth Hulkower, Chief Operating Officer, Elizabeth McCarthy, Chief Financial Officer, Richard Bolbrock, Vice President – Power Markets, Bert Cunningham, Vice President – Communications, and Patricia Alberti, Acting Secretary to the Board of Trustees.

Chairman Larocca addressed the audience and called the meeting to order.

Chairman Larocca stated that he has recently been appointed as Chairman of the Long Island Power Authority, and he is having the time of his life. The Chairman continued that it is a great pleasure to step into this chair. He then took a roll call of the Trustees. He noted that he is joined by President and Chief Executive Officer Kevin Law, Chief Operating Officer Seth Hulkower, Chief Financial Officer Elizabeth McCarthy and Acting General Counsel Lynda Nicolino, and that there is a quorum present.

The Chairman asked for a review of the minutes of the October 2, 2007 meeting of the Board of Trustees but led off with the Pledge of Allegiance prior to soliciting comments from the Trustees regarding the minutes.

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

**832. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT  
THE OCTOBER 2, 2007 MEETING OF THE BOARD OF TRUSTEES OF THE  
LONG ISLAND POWER AUTHORITY**

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**RESOLVED, that the Minutes of the meeting of the Authority held on October 2, 2007 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 Larocca stated that he takes great pleasure in accepting this appointment, and that this is an opportunity for him to return to public service at a time of critical choices and critical needs. The Chairman continued that Long Island always seems to be at the crossroads of something, but certainly, Long Island's energy system is in a critical period, as in the nation and the world. He indicated that we are dependent on sources of energy and forces in the world beyond our borders, which has put an enormous burden on regions such as this, which are surrounded by water and which have a history of dependence on fossil fuels that come from volatile parts of the world. He added that the agenda that LIPA has pursued, and continues to pursue to provide rate stability and reliability, is significant.

Chairman Larocca stated that LIPA's transmission and distribution system is, for the most part, an above-ground system, and it is in an area where there are a lot of trees and occasional storms. The Chairman continued that there are no shortages of challenges that come to us. He added that it is of great pleasure for him to bring what he can to this effort to meet the needs of the people of Long Island.

Chairman Larocca stated that his personal orientation, particularly during his time in business leadership on the Island, has always been that everything we do has to be especially attentive to the relationship to the natural environment, to the world around us and to the ecological system that we are a part of. The Chairman continued that he believes that on Long Island, the environment is this economy, and this economy is the environment, which is measured in terms of

employment, as well as other areas. He indicated that between agriculture, tourism, recreation, quality of life and all of the things that figure into people's choices to be on Long Island, the environment figures very prominently; so one cannot divorce economic considerations from that, nor can one divorce environmental considerations from the economy, which is especially true in how LIPA builds and provides for the energy needs of Long Island.

Chairman Larocca stated that he comes to this job with no doubt in his mind about the appropriateness of this appointment, or his ability to separate from his past lives. The Chairman indicated that he has no continuing relationship with any energy company other than the Long Island Power Authority. He added that it is a pleasure to take his seat and he looks forward to working with the Board.

Chairman Larocca stated that he wants to thank all of those who served on this Board, including some of the founding members of this panel. The Chairman continued that it is well known that they all serve without any compensation for a ten billion dollar enterprise, which has the benefit of some of the best and brightest people on Long Island sitting as its governing body. He indicated that the Trustees are all part of a history at LIPA of public service, for which he salutes and thanks them. He added that he thanks the LIPA staff for their generosity, terrific work and for the time that they have spent with him.

Chairman Larocca stated that he thinks that the Governor has made a very good recommendation to the LIPA Board, and the Board made a very good choice

in selecting President Law. The Chairman continued that he and President Law have partnered before in different enterprises, and he thinks that this team will work very hard and work well together, and hopefully all of Long Island will benefit as a result. He indicated that the next item on the agenda is the President and Chief Executive Officer's report, to be delivered by President Law.

President Law stated that he knows that Chairman Larocca will do a great job. He continued that he has known Chairman Larocca for more than twenty years, and that he is a man filled with integrity, and with a commitment for Long Island, the environment and the business community. He added that he has served with the Chairman on the Board of the Nature Conservancy and on the Long Island Housing Partnership, and Chairman Larocca has always given back to Long Island.

President Law stated that, as previously mentioned by Chairman Larocca, the men and women who serve on the Board do so at no compensation and they take time away from their families and businesses to serve the Authority. He continued that Chairman Larocca should be commended for continuing to serve, and that his experience will be of tremendous value to Long Island, and to LIPA and its ratepayers. He indicated that people will start to understand the roles at LIPA. He added that he is the full-time, compensated President and CEO, charged with running the organization on a day-to-day basis, and he will have a good working relationship with the Chairman.

President Law stated that there will be an independence, as is required, between the management and the Board, and there is no issue or conflict. He continued that those who suggest that there is a conflict are just wrong. He welcomed Chairman Larocca and he looks forward to working with him, as do the other Board members.

President Law stated that his first three weeks as President and CEO have been a busy transition period and that he had attended a lot of staff meetings, and has been sitting down with staff and figuring out the issues that he needs to address within the first thirty days, the next ninety days, and then some longer term issues. He continued that he has already met with Steve Holliday, the President and CEO of National Grid, and they have agreed to work together on a regular basis. He indicated that he will be the one that is responsible for maintaining that relationship with National Grid, as well as holding their feet to the fire, in terms of making sure that they live up to their obligations under their agreement with LIPA. He further indicated that they have agreed to talk regularly and meet as often as they can. He added that it was a terrific meeting and that the tone has been set for a good working relationship with National Grid. President Law stated that he has also been meeting with some of the other folks at Grid, and more meetings are to be scheduled in terms of the operations that they do for LIPA, with regard to LIPA's transmission and distribution system.

President Law further stated that he has been to Albany twice in the last two weeks, and as previously mentioned, he is a member of the Governor's Clean Energy Collaborative, along with the Presidents and Commissioners of the New York Power Authority, the Department of Environmental Conservation, the Public

Service Commission and the New York State Energy Research and Development Authority, which coordinates energy initiatives and plans for the entire state. He indicated that it is a good thing that LIPA has a seat at the table, so that its voice can be heard when it comes to statewide initiatives. President Law stated that he was in Albany last week for Lieutenant Governor Paterson's Renewable Energy Task Force, and he is excited about some of the recommendations that will be coming out of that Task Force in terms of renewable energy opportunities.

President Law continued that earlier this week he also put together an internal interdisciplinary team of people at LIPA to look at the repowering opportunities that LIPA has. He indicated that under the MSA with National Grid, LIPA has an option to acquire some of the plants owned by Grid, to repower them. He added that the option expires in May of 2008.

President Law stated that LIPA will work and figure out what is in the best interest for Long Island, and the LIPA staff will brief the Board and make recommendations to the Board as they move forward. He indicated that he is excited about the challenges, and he feels comfortable already in the role. He added that there are terrific men and women who work at LIPA, and he is beginning to get to know them as well.

President Law stated that the Governor has called for his fifteen by fifteen program, where New York State will reduce demand fifteen percent by the year 2015, and LIPA wants to be a big part of that program. He continued that LIPA will be launching a big energy conservation program soon, and the Board will be briefed over the next couple of weeks as to the status of the program.

President Law stated that Governor Spitzer announced New York's proposed regulations regarding the Regional Gas Initiative. He continued that it will require LIPA, as well as other utilities and owners of generation plants, to actually pay a fee for an allowance for emitting carbon dioxide into the air. He indicated it will generate a pot of money to be used to encourage energy efficiency and renewable fuel generation opportunities in the future. He added that LIPA has approximately sixty days to comment on the proposed regulation, and he has been working with the LIPA staff with respect to making recommendations before the deadline, which he believes is December 10, 2007.

President Law stated that he has received word that two appointments for the vacant positions on the Board of Trustees of the Authority will be made shortly, so that there will be a full complement.

President Law indicated that LIPA also received an opinion from the Attorney General, regarding his request to look at LIPA's charitable contributions program and the incentive program, and he circulated that opinion the day that he received it. He further indicated that the opinion stated that the charitable contributions cannot be made, and that ratepayer money cannot be used for those contributions, so he put an immediate stop to it. President Law stated that the opinion also indicated that LIPA's sponsorships need to be related to energy and economic development, which is part of LIPA's mission and statute. He continued that he will work with the LIPA staff to refine LIPA's policies regarding

sponsorships. He indicated that he will come back to the Board with a recommendation concerning compliance with the Attorney General's opinion.

President Law stated that the Attorney General also ruled that the bonuses and incentive programs are valid. He continued that his feelings on the matter are no secret, and he will be making some suggestions to the Compensation Committee on that issue.

President Law stated that with respect to his staff, he is in the process of determining who his team will be, and he will slowly make some changes. He continued that he will not be making any drastic changes. He added that he has a commitment from a candidate for General Counsel, and he is going to have him brought in to meet with the Personnel and Compensation Committee in November, and he will present this candidate for the Board's approval at the December meeting.

President Law stated that he has emailed to the Board the qualifications and background of the new press secretary that he will bring in, and he hopes to be in a position to hire him. He indicated that he also will share the resume of a new Officer of Environmental Affairs, and he wants the environment to be a main focus of his administration. He added that he wants to highlight LIPA's renewable opportunities for repowering and energy efficiency programs, which he will also share.

President Law stated that as he indicated to the Personnel and Compensation Committee earlier this summer, he plans to eliminate the lobbyist that the Authority has used in the past, and to bring in an in-house Vice President of Government Relations. He continued that this will be a savings of more than \$50,000, compared to what LIPA has been paying for lobbyists, and in terms of the work that this individual will be able to do in-house. He indicated that there are many good men and women who work for LIPA, and he has told most people to relax. He added that he will be doing an assessment of all the departments and divisions, especially as he sits down with Ms. McCarthy to put together LIPA's budget and where there are any opportunities to cut cost, he will be looking to do that. He indicated that he will be sharing that information with the Board at the next meeting in December. President Law further stated that he is concerned that the cost of oil is approaching \$90 per barrel, which cannot be good news for rates in the future and the Board will be receiving a report with the proposed budget for 2008 at its next meeting.

President Law stated that Mr. Bert Cunningham, LIPA's Vice President of Communications has been with LIPA for many years, and he has been a terrific public servant with whom he has been sitting down with since he became Chairman. He continued that he informed Mr. Cunningham that a new President will likely have his own press secretary and communications officer, and he has been working with him, and that Mr. Cunningham has been very gracious. He indicated that this has been a smooth transition and that he will continue to work with the individual that he wants to bring on. He further indicated that Mr. Cunningham will be leaving LIPA in the month of November, which will be before

the next Board meeting, and that he wants to recognize him for his contributions to LIPA and the Long Island community over the years. He added that Mr. Cunningham is a gentleman and a terrific professional and that he wishes him well. President Law then concluded the President's report.

Chairman Larocca stated that he has known Mr. Cunningham for a very long time as well, and he is a first-rate professional who has given great service to this Authority. He indicated that the next item on the agenda is the Operating Report, to be delivered by Mr. Hulkower.

Mr. Hulkower reported that there has not been much change to the information since the last report delivered approximately three weeks ago, but that he wishes to make a presentation with respect to reliability. He continued that LIPA has retained its status as first in the state with respect to all three major reliability indices, which are months between interruption (SAIFI), the average duration of outages or the restoration time (CAIDI) and the average annual outage minutes (SAIDI), which is the produce of SAIFI and CAIDI. He noted that LIPA's indicators have not changed significantly since the end of August.

Mr. Hulkower reported that LIPA continues to hover at the level of approximately 5.2 to 5.3 with respect to the number of momentary interruptions, which is extraordinary. He further reported that the Storm CAIDI, which is the amount of time that the customers are out during storms, has also fallen dramatically, due largely to fewer major storms. He indicated that as of June 30<sup>th</sup>, LIPA was at 15.4 months, which was well ahead of the rest of the state with

respect to months between outages, and that the rest were clustered at approximately 8.3 months.

Mr. Hulkower reported that LIPA's CAIDI was at 80 minutes at that time, and it is now at 72 minutes, which is much better than the rest of the state. He continued that with respect to SAIDI, LIPA is now at 61 minutes, which is also better than the rest of the state.

Mr. Hulkower reported that LIPA's SAIFI, which is a twelve month rolling average used across the state by the PSC, indicates that there was a significant improvement, up to 16.5 months, between outages. He continued that LIPA fell off quite a bit in the next couple of months. He indicated that major storms where a division has more than ten percent or more of customers out, are excluded. He further indicated that even though major storms are excluded, the "run-up" to the end of the year was one of the mildest periods of weather, and minor storms were almost nonexistent during that period, which LIPA greatly benefited from. He added that there were four storms in February and March, and LIPA's average will drift down a little once LIPA loses those good months at the end of last year from its twelve month rolling average.

Chairman Larocca asked whether in defining storms, there is some agreed measure or definition of what constitutes a storm. Mr. Hulkower answered that LIPA uses the PSC's definition for what goes into the statistic, and LIPA has a standard that it uses when determining who is responsible for the cost between LIPA and KeySpan/National Grid, which has to do with the total number of

customers out, effected by the storm, or the number of jobs, which is more than 150 tickets and 15,400 customers interrupted in a 24-hour period.

Mr. Hulkower reported that LIPA's 36-month rolling average, which tends to level out a lot of the short-term impact of storms, has nicely trended up over time. He indicated that it includes every impact upon customers, and it has recently drifted down a bit, but it stays around that 10.8 to 12-month average. He added that this statistic really matters because it reflects what the customers are experiencing.

Mr. Hulkower reported that with respect to LIPA's CAIDI, and regarding the penalty trigger and the offset trigger, which perform to the standards that LIPA uses in its contract with the Management Services Agreement, KeySpan went into the penalty area, but has now come back to an average of 72 minutes, which is where LIPA looks to be with respect to this. He continued that there were few transmission and substation outages in 2006, which hurt LIPA's duration average. He indicated that transmission and substations outages can effect a lot of customers, but LIPA can clear them quickly. He added that when LIPA does not have those it drives the average up, because the rest of the averages are more difficult to manage, and LIPA has reduced a lot of the transmission and substation outages.

Vice Chairman Steinberg asked what the impact is of going past the penalty trigger point. Mr. Hulkower answered that the penalty trigger point has an impact of a million dollars that is due to LIPA at the end of the year. Trustee

Nugent asked whether there is a breakdown regarding the average interruption of overhead versus underground difficulties. Mr. Hulkower answered that he can get that breakdown for the Board, and that since LIPA's system is predominately overhead, LIPA does see more outages with respect to overhead lines, but LIPA can restore overhead outages faster than underground outages. He noted that the SAIDI, which is the average outage minutes per year is almost exactly the same as a result.

Trustee Nugent asked whether the costs are different for overhead as opposed to underground. Mr. Hulkower answered that underground is much more expensive for both transmission and distribution. Trustee Nugent asked whether underground requires more coordination with local municipalities, due to streets that are open or reconstitution of ground that has been broken. Mr. Hulkower responded that LIPA has the experience to get to those lines, but the first delay is in locating the fault with respect to underground service. He stated that it is much easier to drive a route and be able to see where a wire is down. He added that in either event there may be street closings involved, depending on the extent of the damage.

Mr. Hulkower reported that over time, LIPA's SAIDI has tended to stay in a more narrow range and as of August, LIPA's SAIDI was at 59 minutes, and it is now at 61 minutes. He further reported that transmission and substation outages were considerably higher through August of 2007, compared to August of 2006. He noted that even though they were down compared to the three-year average, they were up considerably, which tends to effect LIPA's CAIDI.

Vice Chairman Steinberg asked what remedial actions LIPA takes as a result of the significant increase in transmission and substation outages. Mr. Hulkower answered that LIPA had an exceptional year in 2006, which may have been due to a series of fortunate events, but overall, LIPA is actually better than the three year rolling average.

Vice Chairman Steinberg stated that the generally favorable trends are not attributable to just good luck, but also to things that LIPA does, such as its tree trimming program. He asked whether LIPA expects that these favorable trends will continue and whether LIPA is well positioned to move forward to meet its goals. Mr. Hulkower answered that he thinks that LIPA is well positioned to continue to operate within the bandwidth that it has laid out, including to overall be approximately 14 to 15 months between interruptions and to be approximately 60 to 75 minutes from duration of outages.

Mr. Hulkower reported that with respect to storms for 2007 year-to-date, versus the three-year average year-to-date, LIPA is running a bit ahead, so maintaining LIPA's reliability statistics over the course of the year has been good. He continued that total customer outages are slightly less than 2006, but LIPA did have an increased number of outages during non-storm conditions. He indicated that overall he is happy with those statistics.

Mr. Hulkower reported that LIPA's Target and Responsibility programs are continuing to focus on the whole portfolio to make sure that LIPA is getting some

of the hot spots. He continued that LIPA is also targeting customers having multiple interruptions, in order to focus not only on the average but also the extreme ends. He noted that customers who experience more frequent outages, generally live in more heavily treed areas, so LIPA is targeting some of those customers.

Mr. Hulkower stated that with respect to the Multiyear Storm Hardening Initiative, on the O&M side, LIPA has removed 30,000 trees that were deemed to be hazardous, and that were likely to come down and cause significant damage. He continued that LIPA has also reinforced a lot of transmission along the Long Island Railroad to make sure that it does not interfere with the railroad, including conducting an aerial inspection, pole-by-pole, of the railroad and focusing on railroad and highway crossings. He indicated that LIPA has also taken a look at its distribution automation system, which remotely sectionalizes units of distribution, and many of those units are of great value to LIPA. He added that if they were knocked down in a storm, LIPA's reliability statistics would suffer for years, so LIPA is strengthening the poles that they stand on and the poles around them.

Trustee Nugent asked when a tree is deemed at risk, how does LIPA contact the resident and handle this situation. Mr. Hulkower replied that it is handled very carefully and that LIPA does a lot of outreach. He continued that if it is a tree owned by a homeowner, LIPA will be in contact with them. He indicated that LIPA also works with the town and villages to make sure that they are aware of any tree removals, so that there are no surprises. He added that

LIPA had such experiences in the past, where some trees were removed and the appropriate notifications were not made, and LIPA has learned from those experiences.

Trustee Sinnreich asked whether there is an acceptable methodology to compare what LIPA spends to achieve those good results as compared to other utilities. Mr. Hulkower answered that there are a few different statistics. Trustee Sinnreich asked whether LIPA is getting good results because it is spending more or because LIPA is better at what it does, leaving aside such factors as the weather. Mr. Hervey responded that LIPA looks at its performance financially compared to investor-owned utilities in general, and LIPA has a couple of measurements that it looks at, one of which is capital cost per customer. He continued that this metric is built into the KeySpan contract, and LIPA pegs a spend level on capital cost per customer over the duration of the contract. He indicated that for items such as tree trimming, which is strictly in the O&M budget for which KeySpan is responsible, LIPA is very aware of the cost per mile, and LIPA is right at the industry average.

Mr. Hervey stated that overall with respect to the O&M cost per customer, the system is operated by KeySpan, and the expenditure is somewhere around the bottom of the first quartile, compared to investor-owned utilities. He continued that for capital cost per customer, LIPA is in the second quartile. He added that this is reflective of also trying to stay at the very high reliability level, for which LIPA is in the first quartile across the Board. Mr. Hulkower indicated that the first quartile in this case is lower costs. Trustee Sinnreich stated that he

would like to see those statistics. Mr. Hulkower responded that LIPA will put them together and distribute that to the Board.

Chairman Larocca stated that tree trimming is a very labor intensive activity involving the deployment of men and women and machines. The Chairman indicated that the yield from good management techniques can be very high, because it is really the management of people doing tasks.

Trustee Sinnreich stated that this seems to be what these statistics demonstrate. He further stated that it is good to know that LILPA is not just achieving these results because it is spending more, but also because LIPA is managing better.

Trustee Fragin asked what role the towns and villages play with respect to tree-trimming, and whether there are instances where they would go ahead and proactively do their own programs or want to see trees trimmed more frequently. Mr. Hulkower answered that in years past, some communities would ask LIPA to come in and do an aggressive tree trim, but there would have to be a consensus within the community for that. He indicated that LIPA has not been approached by many communities asking LIPA to be more aggressive, but rather they prefer a lot of small trimming. He added that LIPA has essentially separated the tree population into different growth rates, so different circuits get trimmed depending upon how fast they grow, and it would be far more expensive to do the least invasive tree trim. Trustee Fragin asked if there was a sharing of costs in that regard. Mr. Hulkower answered that there is not, but LIPA would be more than

happy to work with communities if they want to pay for more frequent tree trimming.

Trustee Fragin asked whether there is an average response time for different types of incidents. Mr. Hulkower responded that there are multiple answers to that because some outages do not even require any response time, as they can be handled remotely. He continued that some calls receive a very high priority and LIPA will dispatch someone immediately, but ultimately LIPA looks at how long it takes on average to restore a customer, which is why he prefers to look at the CAIDI and SAIDI numbers. He added that with respect to those statistics, LIPA is seeing that it restores customers, on average, 72 minutes after their lights go out for system interruptions, which are defined as any interruption greater than five minutes.

Trustee Fragin stated that sometimes the public may think that a LIPA truck showing up is more important than actually getting the lights back on.

Mr. Hulkower stated that response time will vary. He continued that in the west end of LIPA's service territory, there are shorter drive times, compared to the East End, and it is a function of the number of outages that LIPA is dealing with, and whether there is a storm situation underway and the time of day. He indicated that LIPA can put together information on times to arrive at the job, but that is only a small part of it, as sometimes the electric serviceman arrives and discovers that it is a more significant job than was originally called in. He noted

that this is why with 1.1 million customers, LIPA takes a look at the aggregate statistics.

Trustee Fragin asked, with regard to an incident occurring at Roosevelt Field this summer, which may be indicative of some of the customer's facilities showing their age, what needs to be improved on the customer end. Mr. Hulkower answered that a lot of the equipment at the Roosevelt Field Mall was LIPA equipment, and that the mall is served by an underground network with multiple fields coming into transformer banks and multiple lines coming out of those transformer banks. He continued that there was a lot of aging cable in there. He added that one of the Authority's capital programs over the next couple of years is to look at some of the underground networks and to do some replacement, since many of the malls were build forty to fifty years ago, and the equipment is showing its age.

Trustee Smookler asked since LIPA trims trees on a certain frequency, based upon the rate of tree growth from a horticultural point of view, whether there are any other ways that trees are assessed proactively, as opposed to reactively, and whether the public, the villages and the towns will also spend out of their pocket where they perceive that they have a tree problem. Mr. Hulkower answered that LIPA does get a lot of calls from customers who want trees removed from their property, and often it is not LIPA's problem. He continued that LIPA does go out proactively, which is what the Hazardous Tree Removal program is all about, and LIPA looks first at trees that put its transmission lines at risk and that put primary distribution lines at risk. He indicated that LIPA works

with the customers, and if a limb comes down on a service drop during a storm, LIPA will be out there to help get their service restored, but the rest of the tree is not generally LIPA's responsibility.

Having no other questions for the COO, Chairman Larocca stated that the next item on the agenda is the Finance Report, to be delivered by Ms. McCarthy.

Ms. McCarthy reported that for the nine months ended September 30, 2007, LIPA had an excess of revenues over expenses of \$161 million, compared to a budget of \$108 million. She continued that revenues for the period were \$2.7 billion, which is \$63 million or two percent below budget, primarily due to the reduction in LIPA's Power Supply Charge in February of 2007 and milder than normal weather. She indicated that overall sales for the period were .3 percent below budget, and offsetting this unfavorable weather revenue variance was an \$81 million or three percent positive variance in operating expenses, primarily driven by lower-than-budgeted fuel, as a result of lower natural gas costs and lower-than-budgeted PILOT's of \$4 million.

Ms. McCarthy reported that offsetting this positive variance was the impact of the recognition of prior service costs related to post-retirement health care benefits of \$10 million, which is classified on this statement as an administrative and general expense. She continued that those costs were recognized as a result of the new governmental accounting standard that became effective this year. She indicated that absent this charge, administrative and general expenses were \$5 million under budget year-to-date, as result of lower legal and consulting fees.

She further indicated that other income exceeded the budget by \$15 million, as a result of higher investment income due to both higher investment balances and earnings rates. Higher-than-budgeted sales of emissions credits, and a timing difference related to the recognition of the Caithness benefits package also contributed to this positive variance. She added that interest expense was lower-than-budgeted by \$20 million or eight percent, due to lower interest rates and variable rate debt and higher capitalized interest in connection with LIPA's construction program.

Ms. McCarthy reported that at September 30, 2007, LIPA had cash and cash equivalents of \$700 million, \$250 million of which is in LIPA's Rate Stabilization Fund. She continued that cash and cash equivalents are invested in a variety of instruments, with 91 percent having a maturity of three months or less. She indicated that at September 30, 2007, LIPA had fuel hedges for 84 percent of its expected oil and natural gas consumption for the remainder of 2007. She further indicated that LIPA's hedged position for oil, natural gas and power for 2008, 2009, and 2010 were 76 percent, 39 percent and 16 percent respectively.

Ms. McCarthy reported that with respect to activity in the oil and natural gas markets over the course of the last few weeks, on October 15<sup>th</sup> it was thought that there was a historic daily settlement for crude oil of \$86.71, and there has been intraday trading at about \$90. She continued that oil was up this morning and up another \$1.50 overnight, after being up over a \$1.50 yesterday, so there is obviously substantial volatility in the market at this time. She indicated that there has also been increases in the natural gas market, which is moving prices up.

She added that while LIPA is 76 percent hedged for next year, there is substantial upward pressure on those commodities, which LIPA will factor in as it prepares its budget for 2008.

Vice Chairman Steinberg asked whether the Authority has any further refundings scheduled for the balance of the year. Ms. McCarthy answered “No.” She stated that the Authority did approximately \$2.2 billion in refundings last year, and the market conditions now are such that the Authority does not have any further opportunities.

Hearing no other questions for the CFO, Chairman Larocca indicated that the next item on the agenda is a presentation concerning the Manufactured Gas Plant (MGP) sites on Log Island, to be delivered by President and CEO Law.

President Law stated that when the Board was deciding whether or not to approve the MSA with National Grid and KeySpan, he recommended to the Board to postpone the vote and to require of KeySpan to come back to LIPA with a report on the status of the investigation and remediation of the MGP facilities scattered throughout Nassau and Suffolk Counties, and the Board agreed. He continued that as of that date, neither the public, the environmental community nor this Board was satisfied with the lack of progress that KeySpan was making, or to the extent that progress was being made, the lack of sharing of that information. He indicated that LIPA asked them to start regularly preparing a report for LIPA, which was the first time that there was a document that summarized all of the facilities under their ownership and control. He added that

both KeySpan and National Grid acknowledged that it is their legal and financial responsibility to clean up these sites, and not that of LIPA and its ratepayers.

President Law stated that LIPA required that KeySpan, and now National Grid, would periodically update the Board on the status of the progress of both investigations and remediations. He indicated that every several months, LIPA will invite Grid to give LIPA an update, which is why Mr. David Manning of National Grid is here. He added that the Board can periodically invite him back as the Board sees fit.

Chairman Larocca stated that, as President Law has stated, it is necessary to communicate with the LIPA Board and keep it informed. The Chairman continued that for those who live in communities affected by any of these sites, the need for communication is very high, and small bits of information or half information can create trouble for people who live near a site that public reports suggest could be dangerous. He added that the necessity of continuing close communication with all of the affected communities must be a part of this process and the reports that LIPA receives.

President Law indicated that Mr. Manning will deliver a presentation concerning the status of MGP site investigations and remediations.

Mr. Manning stated that he has corporate responsibility for communications for KeySpan, now National Grid, and he welcomes the comments of Chairman Larocca and President Law. He continued that he wishes

to note that Mr. Cunningham is one of the preeminent communication professionals in the State, and he has provided tremendous service to Long Island.

Mr. Manning stated that the third quarter report will be available in the first week of November, so LIPA has received the second quarter report covering to the end of September. He indicated that he will be available to answer specific questions at any LIPA Board meeting. He added that the technical staff member, namely Mr. Ted Lessing, is in Sag Harbor at a meeting with the DEC and village officials, so he is not able to attend, but that he can speak to National Grid's current status.

Mr. Manning stated that MGP sites capture a number of different locations, and that the term is not technically correct. He indicated that there is an Order of Consent with the DEC for the cleanup of these different locations, which involves different forms of remediation. He further indicated that the most well-known sites, where gas was manufactured from coal, has resulted in coal tar waste. He added that the very large sites, which include Bay Shore, most notably, are well known and are in various different forms of remediation.

Mr. Manning stated that recently, there was some press because the number of sites was seen to increase, but in fact, the number of sites did not increase, and the DEC has always been aware of all of the sites. He continued that there are three different types of locations that National Grid is now dealing with, some of which are owned by LIPA. He indicated that LIPA has an interest

both as an owner, due to its many sensitive facilities, including transmission and distribution substations that may be on MGP sites. He added that National Grid has responsibility for that remediation, not LIPA. He stated that National Grid will have negotiated access agreements with LIPA staff to be able to work to remediate without interfering with LIPA activities.

Mr. Manning stated that the “additional” sites make up two groups, the first of which are alternative manufacturing facilities. He continued that natural gas can literally be used out of the ground, and the system on Long Island and in New York’s Downstate region was largely converted to natural gas in the early 1950’s. He indicated that primarily from the latter part of the 1800’s to the earlier part of the 1900’s, manufactured gas was used primarily for lighting and to some extent for heating, so coal was brought out and basically cooked, and the vapors were captured. He added that this did however, leave a residue.

Mr. Manning stated that the alternative sites are few in number, and one or two were made where gasoline was evaporated, and the vapors were used for lighting, such as at the East Hampton location. He further stated that the East Hampton site is now either being remediated or there is currently a plan for remediation. He indicated that there was no coal ever used at that location which would leave any coal tar residue.

Mr. Manning stated that there is also a Fire Island location owned by LIPA which involved acetylene. He indicated that the residue from that process is largely just lime. He further indicated that there were large gas storage tanks at

that time that contained neither liquefied nor compressed gas, so the tanks which stored gas at atmospheric pressure were very large. He added that typically, storage tanks had either a floating roof or they stored gas throughout the system.

Mr. Manning stated that the gas was stored in vapor form and there could be some carbon residue, if there was some spillage. He continued that although spillage is an issue, the remediation is more prominently focused on paint that come off the metal structures.

Mr. Manning stated that with respect to the Bay Shore site, it is large and complex, which involves plumes and the actual source or plant site, which he refers to as the “tea bag.” He indicated that National Grid has just completed a retainer wall between the tea bag and the plumes, in order to capture any groundwater passing through the tea bag and out into the plume. He added that the purpose of the retaining wall is not to stop all of the water, but to strain the water, and funnel it into one location.

Mr. Manning stated that National Grid is removing material now, so they are actively in the remediation phase. He continued that they are also working with the DEC and the Suffolk County Department of Health and Environment to enhance their oxygen injection, which allows for the degradation of the material on site. He indicated that this takes a period of years, but it does not require the removal of structures such as homes. He added that there is actual excavation at the location of the plant, and that soil is being removed and clean fill then replaces it.

President Law thanked Mr. Manning for the update. He indicated that he has been very forthright and professional, and he appreciates the transparency. He further indicated that the public, the civic and environmental groups look to LIPA, and that is why LIPA is trying to hold National Grid's feet to the fire.

President Law stated that he insisted that a side letter to the MSA be done, which makes the reporting obligations of National Grid to LIPA concerning the progress of the MGP site investigation and cleanup, mandatory. He continued that to the extent that they fail to do so, there are significant penalties. He added that LIPA realizes that National Grid must live up to their obligations and understand where LIPA is coming from, and that LIPA is the voice for the public.

Mr. Manning stated that National Grid is enthusiastic, and that the communication around this is set by the DEC, which schedules public meetings with respect to each location, and there is a communication plan that is approved by the DEC. He continued that National Grid augments this with its own community outreach, which is welcomed because it is an important forum, because LIPA shares ownership at some of these key sites and because there has always been a fair amount of confusion between LIPA and the contractor. He added that this is a tremendous opportunity for National Grid to provide another level of communication or another opportunity to communicate.

Chairman Larocca asked whether the report is a public document. Mr. Manning answered "yes."

Chairman Larocca stated that he urges that these reports be given the widest possible distribution in the effected communities through whatever outlets exist. President Law agreed and indicated that once LIPA receives the reports, LIPA will have them reviewed by its Director of Environmental Affairs, Monique Brechter, who will review them and will answer any questions that the Trustees may have.

Trustee Nugent stated that last spring, Mr. Manning presented a timetable that structured the remediation and the various sites. She asked whether National Grid has been able to keep to that schedule. Mr. Manning answered that they are on track and that the timetable is set by the DEC, depending on the individual locations. He continued that they have accelerated the original DEC timetable for the lesser sites, which were not getting the priority because of the severity of remediation at the larger sites.

Mr. Manning stated that National Grid felt that as a result of reports of activity at the East Hampton, Fire Island and Saltaire sites, there was a lot of concern in the community that was unwarranted, but the best response was to go immediately to the DEC and work collaboratively, which they did. He indicated that the retainer wall at Bay Shore is not quite finished, and it requires some redesign but it is on track. He added that they are working hard with respect to some access issues and design issues in Sag Harbor, but with respect to those exceptions, there is no timetable slippage.

Hearing no other questions for Mr. Manning, Chairman Larocca stated that the next item on the agenda is consideration of a resolution related to the SEQRA review process for the Southampton – Bridgehampton Transmission Line project, delivered by Lynda Nicolino.

Ms. Nicolino stated that the Trustees are being requested to approve and adopt certain activities related to the SEQRA review for this transmission project, including the approval and adoption of a resolution that would confirm the determination by LIPA that it should serve as lead agency under SEQRA for the development of this project, and the determination that the project has the potential to result in one or more significant adverse impacts on the environment and ratifying the July 10, 2007 issuance of a Positive Declaration in that regard. She continued that the resolution would further approve the adoption of a Final Scope, which describes the types of studies that LIPA as lead agency will undertake to prepare a Draft Environmental Impact Statement (EIS) in connection with this line, and authorize that the President and CEO or his designee prepare the Draft EIS for consideration by the Trustees in accordance with a Final Scope, which will be presented to the Board at a later date.

Ms. Nicolino stated that the project essentially consists of a proposed constructed 69kV transmission line between the Southampton and Bridgehampton substations. She continued that the new line is needed to meet the growth and energy demand of the South Fork, and improve general system reliability on the East End of the Island. She added that it also includes the installation of a new transmission switching station on the currently unimproved

northern portion of a parcel of property where the existing Bridgehampton substation is located, and LIPA staff is seeking to have this transmission line component operational by July 1, 2008, in order to avoid operating the existing system at load that would increase the risk of thermal overload and voltage collapse on the North and South Forks of Long Island.

Ms. Nicolino stated that four alternative routes are currently under consideration for the installation of this new line. She continued that based on the preliminary engineering, environmental and economic evaluations, LIPA has a preferred route which it calls the "Direct Route Alternative," which would be the shortest distance between the two substations. She further stated that the environmental impacts of all four potential routes will be evaluated in the Draft EIS in the same detail as the preferred Direct Alternative Route. She noted that for all routes, except one, the Draft EIS will consider a number of configurations for the line, including all reasonable underground, overhead, and combined underground/overhead alternatives.

Ms. Nicolino stated that on July 10, 2007, the Authority issued a notice of intent to act as lead agency and a Positive Declaration for the project. She continued that although it was a discretionary process under SEQRA, in order to ensure adequate public participation, LIPA prepared a draft scope for the Draft EIS, which was released for public review and comment, and published on the LIPA website. She continued that after LIPA made its requisite public notices, which included publication in the Environmental News Bulletin, LIPA held a public hearing on the draft scope on September 18, 2007 and allowed for a public

comment period until October 2, 2007. She added that the public meeting was well attended and LIPA received numerous written comments, which LIPA incorporated into the draft scope, and which is now incorporated within the final scope that has been presented for the Board's consideration.

Ms. Nicolino stated that with respect to LIPA's status as lead agency, the Southampton Town Planning Board has challenged LIPA's designation as lead agency, and in turn is seeking lead agency status itself. She continued that LIPA has presented information to the DEC in connection with that challenge, and it is currently pending before them. She indicated that LIPA expects a result within the next couple of weeks, but given the impending need for the transmission component of the project, LIPA staff has determined that it is necessary to move forward with the environmental review process in order to maximize the opportunity for that process to be completed by the summer in the event that the Authority's lead agency status request is determined in its favor. She further indicated that as a result, LIPA staff recommends approval of those actions at this time.

Chairman Larocca stated that with respect to going down this trail, where the Authority has discretion and options, it has opted for the fullest possible one, and the Positive Declaration now creates a process that will give all of those interested in the matter a very wide opportunity to be heard and to have issues considered as it goes forward.

President Law stated that this resolution does not bind LIPA to any particular course of action, rather it requires the Authority to explore all of environmental impacts for any of the alternatives that the Authority may choose. Ms. Nicolino stated that President Law's comments were correct.

President Law stated that he intends to sit down with Southampton officials as well, and he will be meeting with some of them next week to try to resolve disputes. He indicated that LIPA has resolved several disputes in the past, and he hopes to be able to do so with them on this as well. He added that LIPA needs to make sure that the environmental impacts are de minimus and mitigated, because LIPA shares their concerns.

Trustee Sinnreich stated that he read all of the comments on the public input, and he wants to compliment the author, whether it is in-house counsel, staff or LIPA's consultant. He indicated that he has seen many of these, and he thought the receptivity and the clarity of the responses to the comments was extraordinary.

Chairman Larocca heard comments from the public with respect to the proposed resolution.

Chairman Larocca stated that, as previously indicated, President Law will be visiting Southampton and the leadership there to explore a solution that meets both the concerns and needs of the community. The Chairman continued that with respect to load growth on the electric demand side, he has seen a figure that

shows a load growth of 5.2 percent in the last couple of years on the South Fork. He indicated that if you were to compound that out for approximately another ten years, it is a doubling of demand, so the growth patterns on the East End are putting enormous strain on the system. He further indicated that as a resident of "Peconic County," that the decision-making that allows for the kinds of growth that in turn calls for that kind of demand, resides not in this Authority or in the Counties, but in the towns and villages of these communities that are inviting and allowing this extraordinary growth and the demands that it brings.

Chairman Larocca stated that the underlying matter is one that must be addressed together, since as long as demand is growing at that rate, this is the kind of problem that will be created. The Chairman continued that he is pleased with the manner in which the Authority is approaching it and the disposition to go there and explore some solutions with the community. He indicated that LIPA must be mindful of the cost issues, because costs incurred for this work inevitably impacts on rates, and LIPA must be concerned about that generically. He further stated that this is a complex set of questions, but the Authority is mindful of those complexities and it is disposed to work with the communities, who in making the demand for a solution that increases costs, are also willing to participate in those costs. He noted that it is unfortunately one of the realities in the debate and others, that at the end of the day, the costs have to be met, and cost sharing will be part of that discussion.

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

**833. APPROVAL AND ADOPTION OF A RESOLUTION CONFIRMING, ADOPTING AND AUTHORIZING CERTAIN ACTIVITIES UNDER SEQRA RELATED TO THE SOUTHAMPTON-BRIDGEHAMPTON TRANSMISSION PROJECT**

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**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, increased development and other factors have resulted in an increasing demand for electricity on the North and South Forks of Long Island, Suffolk County (“East End of Long Island”) that is projected to continue into the foreseeable future; and**

**WHEREAS, the South Fork is currently served by an existing 69-kilovolt (kV) capacity double circuit transmission line, which runs between the Southampton and Bridgehampton substations; and**

**WHEREAS, in order to meet current and future service needs of LIPA’s customers and ensure system reliability on the East End of Long Island, LIPA has identified the need to add increased transmission line capacity between the Village of Southampton and the Bridgehampton hamlet by the summer of 2008, and to expand the existing Bridgehampton Substation (the “Project”); and**

**WHEREAS, the Project would add a new 69-kV transmission line that provides for future growth and increased reliability for residents and businesses in the Village and Town of Southampton, as well as for residents and businesses across the East End of Long Island; and**

**WHEREAS, given the scope of and public interest in the Project, LIPA staff has determined that the Project has the potential to result in one or more significant adverse impacts on the environment, and accordingly issued a Positive Declaration under the State Environmental Quality Review Act (“SEQRA”) on July 10, 2007; and**

**WHEREAS, given the size and scope of the Project, LIPA has advised all other potentially involved agencies that LIPA proposes to serve as “lead agency” under SEQRA in connection with the environmental review of the Project; and**

**WHEREAS, all such potentially involved agencies have consented (or have failed to object) to LIPA’s serving as lead agency, except for the Town of Southampton Planning Board, which has challenged LIPA’s designation as lead agency to the New York State Department of Environmental Conservation (“NYSDEC”); and**

**WHEREAS, the Town of Southampton Planning Board’s challenge to LIPA’s lead agency status is still pending with the NYSDEC; and**

**WHEREAS, given the impending need to complete the transmission line component of the Project by July 2008, LIPA has determined that it is necessary to move forward with the environmental review process to maximize the opportunity for timely completion of the SEQRA review in the event the NYSDEC resolves the lead agency issue in LIPA's favor; and**

**WHEREAS, with the assistance of its environmental engineers, consultants and counsel, LIPA prepared a Draft Scope for the Draft Environmental Impact Statement ("DEIS") which was widely released on August 27, 2007, in order to ensure adequate public participation; and**

**WHEREAS, LIPA held a public hearing on the Draft Scope on September 18, 2007 and has received public comment on such Draft Scope through and including October 2, 2007; and**

**WHEREAS, LIPA has considered all verbal and written comments received on the Draft Scope, and revised the Draft Scope in response to such comments accordingly, and in addition has prepared a written response to all comments received included as the Response to Scope Comments;**

**NOW, THEREFORE, BE IT RESOLVED, that LIPA hereby: (a) confirms LIPA's determination that it should serve as "lead agency" for the review of the Project; (b) confirms that the Project may have one or more potentially significant adverse impacts on the environment and ratifies the July 10, 2007 issuance of a Positive Declaration with respect to the Project; (c) adopts the attached Final Scope of Work for the DEIS; and (d) authorizes the President and Chief Executive Officer or his designee to prepare the DEIS for consideration by the Trustees in accordance with such Final Scope.**

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**Chairman Larocca stated that the next item on the agenda is Board consideration of approval of the engagement of firms to provide accounting and related services presented by Elizabeth McCarthy.**

**Ms. McCarthy stated that the Trustees are being requested to approve and authorize LIPA to engage four firms to provide as-needed accounting and related advisory services to the Long Island Power Authority for a period of five years. She continued that this approval would be in relation to replacing some existing**

contracts that LIPA has currently for these services. She indicated that these services are not related to external audits of LIPA's financial statement, but rather relate to the projects that LIPA does primarily in overseeing the contracts with KeySpan/National Grid, namely the Management Services Agreement, the Power Supply Agreement and the Energy Management Agreement.

Ms. McCarthy stated that LIPA issued a Request for Proposals, which LIPA sent to eleven firms, including five that had primary offices on Long Island. She continued that LIPA also posted the RFP on its website and advertised it in the New York State Contract Reporter. She indicated that LIPA received responses from five firms, two of which were not on LIPA's solicited bid list.

Ms. McCarthy stated that on the basis of a review of those responses, including interviews, LIPA staff recommends that it retain four of those firms to provide these services on an as-needed basis, so no costs will be incurred until the firms are used. She indicated that the four firms for which approval is requested are: Virchow Krause & Company, a national firm with experience in the industry which has been providing service to LIPA with respect to LIPA's contracts with KeySpan; KPMG, one of the big four accounting firms; Tronconi Segarra & Associates, an upstate firm that has also been providing services to LIPA; as well as a new firm, Marks Paneth & Shron, which is a local firm. She added that, as previously indicated, LIPA staff requests that the Authority engage these firms to replace existing contracts.

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

**834. ENGAGEMENT OF FIRMS TO PROVIDE ACCOUNTING AND RELATED ADVISORY SERVICES**

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**RESOLVED**, that the President and Chief Executive Officer or his designee be, and hereby is, authorized to engage Virchow Krause & Co.; KPMG; Tronconi Segarra & Associates and Marks Paneth & Shron to provide accounting and related advisory services to the Authority and LIPA, with the contract terms to be five years.

Chairman Larocca stated that the next item on the agenda is Board consideration of approval of the LIPA Investment Guidelines, which is really the updating that is done periodically. The Chairman continued that the management of the funds that is entrusted through the Authority is subject to investment protocols that are contained in those guidelines, and this would be an updating. This item was presented by Elizabeth McCarthy.

Ms. McCarthy stated that the Trustees are being asked to approve the Long Island Power Authority Investment Guidelines, which is an annual requirement pursuant to the Public Authorities Law, to periodically review and approve the Authority's guidelines. She indicated that LIPA staff has conducted that review and requests that the Authority to adopt the guidelines as previously adopted, with no modification, effective from this date forward.

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

## **835. APPROVAL OF LONG ISLAND POWER AUTHORITY INVESTMENT GUIDELINES**

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**WHEREAS, the Long Island Power Authority (the “Authority”) is required by Section 2925(6) of the Public Authorities Law, as amended, to periodically review, amend and adopt investment guidelines which detail the Authority’s operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Authority;**

**NOW, THEREFORE, BE IT IS RESOLVED, that the Authority hereby approves and adopts the “Long Island Power Authority Investment Guidelines (October 25, 2007)” in the form presented at this meeting; and**

**BE IT FURTHER RESOLVED, that such Investment Guidelines are to be effective with respect to all Investment Securities, as defined in such Investment Guidelines, purchased after the date hereof.**

**\* \* \***

**Chairman Larocca stated that the next item on the agenda is Board consideration of a resolution approving revised guidelines regarding property disposition contracts, presented by Lynda Nicolino.**

**Ms. Nicolino stated that the Authority has a similar requirement to review its property disposition contract guidelines for the disposition of real and personal property. She continued that these obligations are derived from the Public Authorities Accountability Act, and the Authority is required to annually file its guidelines, after approval by the Board, with the Office of the New York State Comptroller, and to post them on its website. She indicated that they are currently available on the Authority’s website, and they will be available in their modified form as soon as the Trustees approve the resolution today.**

**Ms. Nicolino stated that the guidelines were last approved in May 2006, and LIPA staff is requesting one change to the guidelines with respect to a somewhat**

ministerial matter, which would be to change the authorization for procurement contracts for property disposition of more than \$250,000, but less than \$750,000 from the Chairman to the President and Chief Executive Officer, which is a change that is consistent with the division between those two positions under the Public Authorities Accountability Act.

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

**836. APPROVAL OF REVISED LONG ISLAND POWER AUTHORITY GUIDELINES REGARDING PROPERTY DISPOSITION CONTRACTS**

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WHEREAS, pursuant to recently enacted changes in law, the Long Island Power Authority (the "Authority") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines, to be annually reviewed and approved by the Trustees of the Authority, regarding the use, awarding, monitoring and reporting of contracts for the disposal of real and personal property;

WHEREAS, the Authority has existing guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposition of real and personal property;

WHEREAS, the Authority has determined to amend such existing guidelines as they relate to the disposition of property to more fully conform to the requirements of the recently enacted Section 2896 of the Public Authorities Law;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves and adopts the "Long Island Power Authority Guidelines Regarding Property Disposition Contracts" in the form presented at this meeting; and be it further

RESOLVED, that such Guidelines Regarding Property Disposition Contracts are to be effective with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts, as defined in such Guidelines Regarding Property Disposition Contracts entered into after the date hereof.

\* \* \*

After taking public comment, Chairman Larocca entertained a motion to go into executive session to discuss litigation and personnel issues.

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

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

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**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 and personnel matters.

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At 12:52 p.m. the open session of the Board of Trustees was temporarily adjourned and an executive session of the Board of Trustees was convened.

At 1:30 p.m. the executive session was adjourned and the open session was reconvened.

After noting that no votes were taken in the executive session, Chairman Larocca entertained a motion to adjourn. Upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 1:31 p.m.

Respectfully submitted,

**Lynda Nicolino**