Long Island Power Authority

Statement of Discount Applicable to Recharge NY Delivery Service

Applicable to Recharge NY Load billed under all Service Classifications
As set forth in the Tariff for Electric Service

1. Power Supply Agreement Expense _________________________________ 458,461
2. Operating and Maintenance Expense on Nine Mile Point ______________ 28,431
3. Accretion of Asset Retirement Obligation on Nine Mile Point (net of trust income) ___________ 4,448
4. Depreciation Expense on Nine Mile Point ___________________________ 13,040
5. Property Taxes on Nine Mile Point ____________________________________ 5,674
6. Interest Expense on Investment in Nine Mile Point ________________________ 20,238
7. Property Taxes on Merchant Generation __________________________________ 11,522
8. Generation Expense Recovered through Delivery Charges (sum of Lines 1 through 7) ____ 541,814
9. Total Delivery Charges ______________________________________________ 1,849,803
10. Discount Applicable to Delivery Charges for Recharge NY Load _____________________ 29.3%

This discount factor is set pursuant to the Board of Trustees’ annual budget for the calendar year 2015, approved on January 6, 2015.
Interest Expense is calculated as the average Net Plant Investment for 2014 of $417,872,273 times 4.843% average embedded cost of debt.

Effective: January 1, 2015