

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

	<u>\$000</u>
1. Power Supply Agreement Expense _____	465,642
2. Operating and Maintenance Expense on Nine Mile Point _____	27,989
3. Accretion of Asset Retirement Obligation on Nine Mile Point (net of trust income) _____	3,502
4. Depreciation Expense on Nine Mile Point _____	19,168
5. Property Taxes on Nine Mile Point _____	5,844
6. Interest Expense on Investment in Nine Mile Point _____	15,906
7. Property Taxes on Merchant Generation _____	11,834
8. Generation Expense Recovered through Delivery Charges (sum of Lines 1 through 7) _____	549,885
9. Total Delivery Charges _____	<u>1,895,334</u>
10. Discount Applicable to Delivery Charges for Recharge NY Load _____	29.0%

This discount factor is set pursuant to the Board of Trustees' annual budget for the calendar year 2016, approved on December 16, 2015.

Interest Expense is calculated as the average Net Plant Investment for 2015 of \$381,438,530 times 4.17% average embedded cost of debt.

Effective: January 1, 2016