

Long Island Power Authority

Statement of Fuel and Purchased Power Cost Adjustment Rate

Applicable to billings under all Service Classifications
As set forth in the Tariff for Electric Service

1. Average Cost of Fuel and Purchased Power as adjusted to Achieve Targeted Level of Revenues, cents/kWh (1)	8.7330
2. 2003 Amortized Excess Fuel and Purchased Power Costs Rate, cents/kWh (2).....	0.1929
3. Rate to Offset Prior Years Overcollections related to Unbilled Revenue (3)	<u>(0.1969)</u>
4. Fuel and Purchased Power Cost Adjustment Rate, cents/kWh (sum of Lines 1 through 3)	8.7290

(1) This Average Cost of Fuel and Purchased Power, as adjusted to Achieve Targeted Level of Revenues, is set pursuant to the Board of Trustees' March 27, 2003, April 27, 2006, June 22, 2006 and October 25, 2012 resolutions, which provide for recovery of approximately \$126.9 million of targeted revenues for the month of December 2013 which reflects a one-time refund of \$6.4 million associated with the Constellation Settlement.

(2) This Rate is set pursuant to the Board of Trustees' March 27, 2003 and March 10, 2004 resolutions, which provide for amortization of a portion of 2003 excess Fuel and Purchased Power Costs of approximately \$2.9 million for the month of December 2013.

(3) This Rate is set pursuant to the Board of Trustees' January 27, 2011 resolution, which provides for the offset of costs that would otherwise have been recovered through the Fuel and Purchased Power Cost Adjustment Rate, resulting from a change in the methodology for measuring Unbilled Revenue. The refund for the month of December 2013 is approximately \$3.0 million.

Effective: December 1, 2013