



333 Earle Ovington Boulevard  
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October 17, 2016

Mr. Robert Gurman, Vice-Chairman  
Utility Debt Securitization Authority  
c/o Long Island Power Authority  
333 Earle Ovington Blvd. Ste. 403  
Uniondale, NY 11553

Subject: Notice of Adjustment for 2013 Bonds

Pursuant to the Restructuring Cost Financing Order of the Long Island Power Authority (“Authority”) dated June 26, 2015 (the “Financing Order”) and the Restructuring Property Servicing Agreement, as amended on April 14, 2016 (the “Servicing Agreement”), between the LONG ISLAND LIGHTING COMPANY, as Servicer, and the UTILITY DEBT SECURITIZATION AUTHORITY, the undersigned does hereby provide notice of an adjustment to the Charge to take effect on the Adjustment Date specified below.

Adjustment Date: November 15, 2016

Adjusted Charge: \$0.005580 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the June 15, 2017 payment and the charge required to meet both payments due in 2017, as shown on the table below.

Respectfully,

/s/ Justin H. Bell

Justin H. Bell  
Director of Rates and Regulation  
Long Island Power Authority  
As Servicer to the Utility Debt Securitization Authority

Utility Debt Securitization Authority – 2013 Bonds  
Securitization Charge to be Effective on November 15, 2016

| <u>Expense Component</u>                  | <u>Payment Due</u><br><u>6/15/17</u> | <u>2017 Combined</u> |
|---|--------------------------------------|----------------------|
| Principal Due                             | \$6,540,000                          | \$13,148,000         |
| Interest Due                              | \$41,268,141                         | \$82,469,510         |
| Reserve Fund Earnings                     | \$0                                  | \$0                  |
| Replenish Reserve Fund                    | \$0                                  | \$0                  |
| Revenue from Prior Periods                | \$0                                  | \$0                  |
| Ongoing Servicer Fee                      | \$505,581                            | \$1,011,162          |
| Administration Fees                       | \$50,000                             | \$100,000            |
| Bond Administration Fees                  | \$32,500                             | \$65,000             |
| Bond Trustee Fees and Expenses            | \$7,000                              | \$14,000             |
| Legal Fees                                | \$5,000                              | \$10,000             |
| Accounting Fees                           | \$16,875                             | \$33,750             |
| Directors and Officers Insurance          | \$91,801                             | \$183,602            |
| <u>Miscellaneous</u>                      | <u>\$3,125</u>                       | <u>\$6,250</u>       |
| Total to be Recovered                     | \$48,520,023                         | \$97,041,273         |
| <br>                                      |                                      |                      |
| Allowance for Write-off at .620%          | \$302,701                            | \$605,409            |
| <br>                                      |                                      |                      |
| <b>Revenue to be Recovered</b>            | <b>\$48,822,724</b>                  | <b>\$97,646,682</b>  |
| <br>                                      |                                      |                      |
| kWhs (based on 36 Days Sales Outstanding) | 8,749,398,573                        | 19,232,291,737       |
| Last Billing Date                         | May 10, 2017                         | November 9, 2017     |
| <br>                                      |                                      |                      |
| <b>Securitization Charge (per kWh)</b>    | <b>\$0.005580</b>                    | <b>\$0.005077</b>    |

Notes:

- 1)  $\$302,701 / \$48,822,724 = .620\%$   
Write-off rate based on PSEG Scorecard YTD August 2016
  
- 2) Billings on November 9 will be received 36 days later on December 15  
Billed sales reflect latest projections as of September 2016  
Days Sales Outstanding based on PSEG Scorecard YTD August 2016

Required Distribution List:

***UDSA Trustees:***

Bruce Levy  
Robert Gurman

***Bond Administrator:***

LIPA  
333 Earle Ovington Blvd. Ste. 403  
Uniondale, NY 11782  
Attention: Bobbi O'Connor, Deputy General  
Counsel

***Bond Trustee:***

The Bank of New York Mellon  
101 Barclay Street, Floor 7- West  
New York, NY 10286  
Attention: Frederic Belen

***Bond Issuer:***

Utility Debt Securitization Authority  
c/o Long Island Power Authority  
333 Earle Ovington Blvd. Ste. 403  
Uniondale, NY 11782  
Attention: Jon Mostel, General Counsel

***Allocation Agent:***

Long Island Power Authority

***Rating Agencies:***

Moody's Investors Service, Inc.  
25th Floor, 7 World Trade Center, 250  
Greenwich Street  
New York, New York 10007  
Attention: ABS/RMBS Monitoring  
Department

Standard & Poor's Ratings Services  
55 Water Street  
New York, New York 10041  
Attention: Structured Credit Surveillance

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Attention: ABS Surveillance

***Electronic Municipal Market Access:***

Filed electronically by  
Christopher Reitzl  
Squire Sanders