December 4, 2015

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 2015 Bonds

Pursuant to the Restructuring Cost Financing Order No. 2 of the Long Island Power Authority (“Authority”) dated June 26, 2015 (the “Financing Order”) and the Restructuring Property Servicing Agreement, dated as of October 27, 2015 (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: January 1, 2016

Adjusted Charge: $0.004827 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the June 15th payment or the sum of the two payments due in 2016, as shown on the table below.

Respectfully,

[Signature]

John W. Little
Managing Director of Planning and Strategy
As Servicer to the Utility Debt Securitization Authority
Utility Debt Securitization Authority  
Securitization Charge to be Effective on January 1, 2016

<table>
<thead>
<tr>
<th>Expense Component</th>
<th>Payment Due</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6/15/16</td>
<td>Annual</td>
</tr>
<tr>
<td>Principal Due</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Interest Due</td>
<td>$30,969,588</td>
<td>$55,419,263</td>
</tr>
<tr>
<td>Reserve Fund Earnings</td>
<td>-$2,500</td>
<td>-$5,000</td>
</tr>
<tr>
<td>Replenish Reserve Fund</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Additional Revenue through December 31st</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Ongoing Servicer fee</td>
<td>$250,526</td>
<td>$501,053</td>
</tr>
<tr>
<td>Administration Fees</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Bond Administration Fees</td>
<td>$32,500</td>
<td>$65,000</td>
</tr>
<tr>
<td>Bond Trustee Fees and Expenses</td>
<td>$7,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Directors and Officers Insurance</td>
<td>$45,000</td>
<td>$95,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$3,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>Total to be Recovered</td>
<td>$31,370,115</td>
<td>$56,232,316</td>
</tr>
<tr>
<td>Allowance for Write-off at .590% (see note 1)</td>
<td>$186,182</td>
<td>$333,740</td>
</tr>
</tbody>
</table>

Revenue to be Recovered: $31,556,297 $56,566,056

kWhs (based on 37 Days Sales Outstanding) 6,537,793,808 17,329,143,327
Last Billing Date (see note 2) May 9, 2016 November 8, 2015

Securitization Charge (per kWh) $0.004827 $0.003264

Notes:
1) $186,182 / $31,556,297 = .590%  
   Write-off rate based on PSEG Scorecard YTD October 2015

2) Billings on November 8th will be received 37 days later on December 15  
   Billed sales reflect latest projections as of November 2015  
   Days Sales Outstanding based on PSEG Scorecard YTD October 2015
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