April 15, 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 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, 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: May 15, 2016

Adjusted Charge: $0.002879 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the December 15th payment or the sum of the two payments due by June 15th, 2017, as shown on the table below.

Respectfully,

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 May 15, 2016

<table>
<thead>
<tr>
<th>Expense Component</th>
<th>Payment Due 12/15/16</th>
<th>Payments due by 6/15/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Due</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Interest Due</td>
<td>$24,449,675</td>
<td>$48,899,350</td>
</tr>
<tr>
<td>Reserve Fund Earnings</td>
<td>-2,500</td>
<td>-5,000</td>
</tr>
<tr>
<td>Replenish Reserve Fund</td>
<td>1,625,376</td>
<td>1,625,376</td>
</tr>
<tr>
<td>Collections Billed in Prior Year</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>50,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total to be Recovered</strong></td>
<td><strong>$26,487,578</strong></td>
<td><strong>$51,349,779</strong></td>
</tr>
</tbody>
</table>

### Allowance for Write-off at .720% (see note 1)

| Allowance for Write-off                        | $192,094             | $372,400                |

| Revenue to be Recovered                        | $26,679,671          | $51,722,179             |

### kWhs (based on 37 Days Sales Outstanding)

| kWhs                                           | 10,584,557,001      | 17,938,594,257          |

### Last Billing Date (see note 2)

- **November 8, 2016**
- **May 9, 2017**

### Securitization Charge (per kWh)

| Securitization Charge (per kWh)                | $0.002521            | $0.002883               |

### Notes:
1) $192,094 / $26,679,671 = .720%
   Write-off rate based on PSEG Scorecard YTD February 2016

2) Billings on November 8th will be received 37 days later on December 15
   Billed sales reflect latest projections as of April 2016
   Days Sales Outstanding based on PSEG Scorecard YTD February 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