April 12, 2018

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 2016B Bonds

Pursuant to the Restructuring Cost Financing Order No. 4 of the Long Island Power Authority (“Authority”) dated June 26, 2015 (the “Financing Order”) and the Restructuring Property Servicing Agreement, dated as of September 8, 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, 2018 November 15, 2017

Adjusted Charge: $0.003467 per kWh $0.005679 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the December 15, 2018 debt service payment and the charge required to meet both the December 15, 2018 payment and the June 15, 2019 payment (Combined), 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 - 2016B Bonds  
Securitization Charge to be Effective on May 15, 2018

<table>
<thead>
<tr>
<th>Expense Component</th>
<th>12/15/18</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Due</td>
<td>$38,655,000</td>
<td>$38,655,000</td>
</tr>
<tr>
<td>Interest Due</td>
<td>$9,253,875</td>
<td>$9,253,875</td>
</tr>
<tr>
<td>Reserve Fund Earnings</td>
<td>-$43,259</td>
<td>-$86,517</td>
</tr>
<tr>
<td>Replenish/Release Reserve Fund</td>
<td>-$2,136,831</td>
<td>-$2,136,831</td>
</tr>
<tr>
<td>Revenue from Prior Periods</td>
<td>-$10,906,427</td>
<td>-$10,906,427</td>
</tr>
<tr>
<td>Ongoing Servicer Fee</td>
<td>$117,330</td>
<td>$234,660</td>
</tr>
<tr>
<td>Administration Fees</td>
<td>$49,998</td>
<td>$99,996</td>
</tr>
<tr>
<td>Bond Administration Fees</td>
<td>$25,000</td>
<td>$50,000</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>$4,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>$8,604</td>
<td>$17,208</td>
</tr>
<tr>
<td>Directors and Officers Insurance</td>
<td>$21,380</td>
<td>$42,760</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$3,200</td>
<td>$6,400</td>
</tr>
<tr>
<td>Total to be Recovered</td>
<td>$35,058,871</td>
<td>$43,539,625</td>
</tr>
</tbody>
</table>

Allowance for Write-off at .690%

| Revenue to be Recovered                    | $35,302,458 | $43,842,135 |

| kWhs (based on 37 Days Sales Outstanding)  | 10,183,839,880 | 18,871,200,618 |
| Last Billing Date                         | November 8, 2018 | May 9, 2019   |

Securitization Charge (per kWh) $0.003467 $0.002323

Notes:
1) $243,587 / $35,302,458 = .690%  
   Write-off rate based on PSEG Long Island Scorecard February 2018

2) Days Sales Outstanding based on PSEG Scorecard February 2018  
   Billings on November 8 will be received 37 days later on December 15  
   Billings on May 9 will be received 37 days later on June 15  
   Billed sales reflect latest projections as of April 2018
Required Distribution List:

**UDSA Trustees:**
Bruce Levy
Robert Gurman

**Bond Administrator:**
LIPA
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

**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

**Electronic Municipal Market Access:**
Filed electronically by
Christopher Reitzl
Squire Sanders