

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 276th MEETING

HELD ON SEPTEMBER 27, 2018

The Long Island Power Authority (the “Authority”) was convened for the two-hundred-and-seventy sixth time at 11:25 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on September 21, 2018, and electronic notice posted on the Authority’s website.

The following Trustees of the Authority were present:

**Ralph Suozzi, Chair
Elkan Abramowitz
Drew Biondo
Sheldon Cohen
Matthew Cordaro
Mark Fischl
Peter Gollon
Jeffrey Greenfield**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Anna Chacko, General Counsel; Rick Shansky, Vice President of Operations Oversight; Kenneth Kane, Interim Chief Financial Officer, Bobbi O’Connor, Vice President of Policy and Strategy & Secretary to the Board of Trustees; Donna Mongiardo, Vice President and Controller; Kathleen Mitterway, Vice President of Audit; Michael Deering, Director of Customer Service Oversight and Stakeholder Relations; and Sid Nathan, Director of Communications.

Representing PSEG Long Island were Daniel Eichhorn, President and COO; Rick Walden, Vice President of Customer Service; John O’Connell, Vice President of Transmission & Distribution; David Lyons, Vice President of Construction and Operation; and Andrea Elder-Howell, Managing Director and Vice President of Legal.

Chairmain Suozzi welcomed everyone to the 26th meeting of the Long Island Power Authority Board of Trustees and led the Pledge of Allegiance.

Chairman Suozzi stated that the first item on the agenda was the Chairman's remarks.

After the Chairman's remarks, Chairman Suozzi stated that the first item on the agenda was the Consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below:

1427. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 25, 2018 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on July 25, 2018 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Requested Action

The Board of Trustees of the Long Island Power Authority (the "Board") is requested to adopt a resolution: (i) finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the "Authority" or "LIPA") has complied with the Board Policy on Enterprise Risk Management (the "ERM Policy" or "Policy"); (ii) approving the annual report for the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as Exhibit "A".

Background - Board Policy on Enterprise Risk Management

By Resolution No. 1351, dated March 29, 2017, the Board adopted the ERM Policy, focusing on the identification, assessment, management and mitigation of risks. The Finance & Audit Committee ("F&A Committee") of the Board, in its charter, was delegated the responsibility of reviewing the Authority's practices relating to Enterprise Risk Management. The Authority's Service Provider, PSEG Long Island, also participates in the implementation of the Authority's ERM Program. There are certain ERM Program requirements, which are described below.

Compliance with the Policy

Staff recommends that, for the reasons set forth below, the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual report.

The Policy provides for “Maintaining an Executive Risk Management Committee consisting of the Chief Financial Officer and at least two other Authority staff appointed by the Chief Executive Officer, one of whom must be a member of the senior management of the Authority, to establish processes and controls and oversee the implementation of the Enterprise Risk Management program”.

- **The Authority has an active ERMC that reviews the ERM process and controls and oversees the implementation of the ERM Program.**
- **Currently there are seven members on the Committee including the CEO, Interim CFO, the VP Policy, Strategy & Administration and other Staff at the Director level.**
- **The ERMC maintains an ERM procedures manual and meets with ERM Staff on a regular basis. Over the last twelve months, the ERMC has met seven times to discuss the ERM Program.**

The Policy requires that the Authority “Regularly assess the risks facing the Authority and providing updates on the status of risks and corresponding mitigation activities to the senior management of the Authority and its Service Provider as well as at least annually to the Finance and Audit Committee of the Board of Trustees”.

- **In 2018, the Authority and PSEG Long Island revised the ERM Program to follow a bottomup approach to engaging each of the business units at LIPA and PSEG Long Island. ERM staff from the Authority, PSEG Corporate and PSEG Long Island collectively facilitate working sessions with the appropriate subject matter experts in each business unit.**
- **The ERM process includes the identification of risks affecting LIPA’s goals and objectives and utilizes quantitative and qualitative methods to assess the magnitude of the risk exposure. The ERM process includes a review of the mitigation of each risk.**
- **Each department Vice President is required to review and sign off on the risks and mitigation activities within the business units of their department as risk-owner.**
- **A formal presentation of the significant risks and mitigation activities of each department is made to LIPA’s ERMC and the Senior Leadership Team at PSEG Long Island.**
- **Annually, the F&A Committee receives an ERM Program Update highlighting the significant risks facing the organization concurrent with this annual report.**
- **The revised ERM Program has been implemented across all the departments at LIPA and three of the four business units at PSEG Long Island, which is ahead of the schedule anticipated when the program was revised in 2018 (see Goal #75 below), with the balance of the business units to be completed by the end of Q-1 2019.**

The Policy provides for “Annually reviewing the Authority’s insurance and other forms of coverage against insurable risks, including the availability and desirability of such coverage.”

- Each year the Authority and its insurance advisor oversee the placement of various policies by PSEG Long Island such as property insurance and general liability insurance and other required coverages as deemed prudent to protect the interest of the Authority’s bondholders and customer-owners.
- The Authority’s CFO provides written notification to PSEG Long Island regarding the renewal of required policies, desired changes in coverages, and any requests to investigate other types of coverages. The CFO’s notification is sent each December.
- The Authority maintains several other insurance policies including directors and officers liability, premises general liability and property insurance as well as cyber insurance and employee practices liability insurance.
- The levels of coverage were reviewed during 2018 and prudent and economic levels of coverage are in place for each type of policy, including:
 - D&O Insurance \$200M Limit/\$1M Retention
 - Excess 3rd Party General Liability \$300M Limit/\$3M Retention
 - Property Insurance (all risks, excludes wires and poles) \$500M/CAT\$300M Limit adder/\$1.5-\$7.5M Retention; includes U.S. Property Terrorism
 - Cyber Insurance:
 - LIPA named insured on PSEG Long Island’s Cyber Insurance \$15M Limit/\$2.5M Retention
 - LIPA Business Office Cyber Policy \$5M Limit/\$10K retention
 - Nuclear Electric Replacement (NMP2) \$300M Limit/12-week deductible period
 - Employee Practices Liability Insurance \$5M Limit/\$15K Retention
 - LIPA premises Liability and Property Insurance \$150K-\$3M Limit/\$0 Retention

The Policy provides for “Maintaining business continuity plans for the operations of the Authority and periodically reviewing such plans of the Service Provider.”

- The Authority maintains departmental and corporate level business continuity plans (“BCPs”). PSEG Long Island also maintains detailed business continuity plans for each operational area within each business unit.
- LIPA and PSEG Long Island’s BCP plans are reviewed annually and were reviewed during 2018.
- Alternative operations within the BCPs are tested on a periodic basis to assure the most essential business functions are maintained or returned to service in appropriate time frames. Most tests have been completed, with the remaining tests and exercises to be completed by the end of 2018.

The Policy provides for “Requiring the Authority’s Audit staff to annually undertake a review of the effectiveness and maturity of the Enterprise Risk Management program.”

- The Authority’s Internal Audit department will receive the third-party ERM Program maturity assessment and diagnostic report as further described under “Proposed Changes to the Board Policy” below.

Proposed Changes to the Board Policy

The Board Policy has been revised for three purposes:

- Simplification of language and elimination of duplication, without material change;
- A change in requirement from an annual review of the maturity of the ERM Program by Internal Audit to a program effectiveness assessment that is provided to senior management and Internal Audit for review. Staff will undertake an annual program effectiveness and diagnostic assessment by an outside independent entity (e.g. the Corporate Executive Board or Risk Management Society) making a requirement for an additional assessment by Internal Audit redundant; and
- Addition of an annual reporting requirement on the Policy to the F&A Committee, consistent with other Board policies.

2018 Work Plan and Other Goals

LIPA’s 2018 Work Plan includes the following goal to advance the Policy:

- **Goal #75:** Initiate a department level review of significant enterprise risks with PSEG Long Island, complete risk profiles for three major business units in 2018 and two business units in 2019.

This goal will be completed during the year and the implementation of the revised Program design, with department level reviews, is ahead of schedule.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of the following resolution:

1428. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE ENTERPRISE RISK MANAGEMENT POLICY

WHEREAS, the Enterprise Risk Management Policy (the “Policy”) was originally approved by the Board of Trustees by Resolution No. 1351, dated March 29, 2017; and

WHEREAS, the Board has received the annual Staff report on compliance with the Policy; and

WHEREAS, the Board has reviewed the Policy and affirms that changes to the Policy are required.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the adoption of the Policy, approves the annual report to the Board, and approves the updates to the Policy.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution: (i) finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority” or “LIPA”) has complied with the Board Policy on the Power Supply Hedging Program (the “Policy”); (ii) approving the annual report for the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as Exhibit “A”.

Background - Board Policy on the Power Supply Hedging Program

By Resolution No.1352, dated March 29, 2017, the Board adopted the Policy to maintain an effective commodity hedging program, focused on meeting the expectations of the Authority’s customers for reasonable stability and predictability in power supply costs. The Policy is consistent with utility best practices.

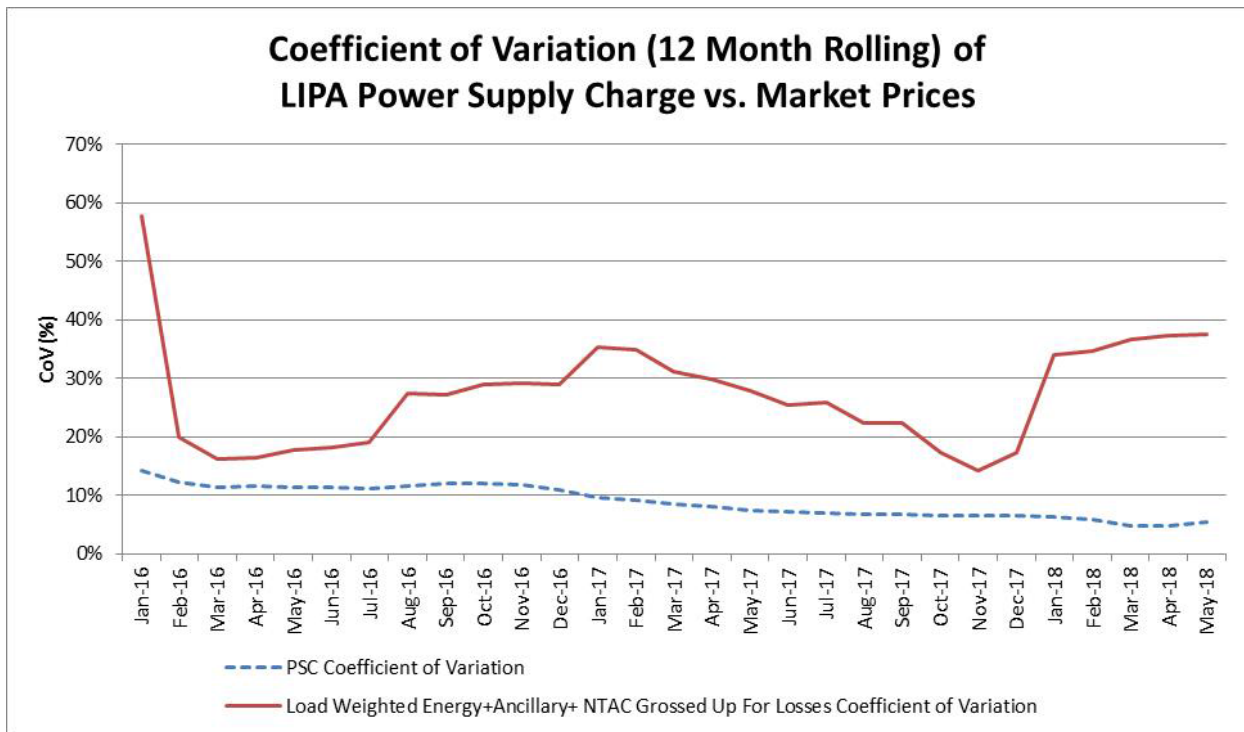
The Finance & Audit Committee (“F&A Committee”) of the Authority’s Board of Trustees, in its charter, was delegated the responsibility of reviewing the Authority’s practices relating to commodity risk management. Certain responsibilities, as set forth in the Policy, were delegated by the Board to the Executive Risk Management Committee (“ERMC”).

Compliance with the Policy

Staff recommends that, for the reasons set for below, the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review.

The Policy is intended to “Mitigate a portion of the volatility of power supply costs in a programmatic and reasonable way on behalf of the Authority’s customer-owners.”

- The ERMC approves the LIPA Hedge Plan which identifies certain power supply cost components which can be fixed to create reasonable and stable rates. In general, hedging these cost components has proven to reduce the Power Supply Charge (“PSC”) volatility in the absence of a hedging program and purchasing power in the open market. PSEG Energy Resource and Trade (“PSEG ER&T”) presented to the F&A Committee at the July 25, 2018 meeting the following graph indicating the actual PSC volatility as compared to the volatility customers would be exposed to based upon unhedged market prices.**



The Policy shall be “executed using financial derivative and physical supply and delivery contracts for a portion of the Authority’s projected fuel and purchased power purchases, provided, however that: the net hedge position does not exceed 90% of projected fuel and purchased power needs; the term of any such hedge does not exceed ten years without the prior consent of the Board or a term in excess of sixty (60) months without the prior approval of the Finance and Audit Committee of the Board.”

- PSEG ER&T authorized traders execute both financial and physical hedge transactions on the Authority’s behalf for defined volumes over a 48-month period. All transactions are monitored by PSEG Enterprise Risk Management (“PSEG ERM”) back office for compliance; PSEG ERM generates and distributes hedge ratio position reports daily, weekly and monthly to the Authority’s ERMC staff.
- Hedge transactions are triggered based on a time or value trigger protocol that has been established with an independent third-party hedge advisor. Time-trigger transactions allow for the accumulation of minimum required volume hedge levels under all price environments, value-triggered transactions allow for the accumulation of additional hedge levels based on lower decile pricing levels of value versus 4-year historical pricing. In addition, volumes associated with Board Approved Purchase Power Agreements (“PPAs”) having fixed prices and the Authority’s 18% ownership of Nine Mile Point 2 are included as part of the hedged volume. Currently, the ERMC has set a maximum hedge level limit of 85%.

- No hedges exceed a term of sixty months and the net hedge position does not exceed 90% of projected fuel and purchased power needs, meeting the requirements of the policy.

The Policy states that it shall “Achieve appropriate risk mitigation and is not for purposes of financial speculation.”

- All transactions are based on ERMC Approved projected fuel and power requirements associated with the Authority Approved annual sales forecast. Specific power supply component volumes are also validated against historical consumption data. Each hedge transaction is reviewed by PSEG ERM’s middle-office risk management group for compliance to ERMC approved Hedge Plan and procedures.

The Policy states that it shall “Provide transparency regarding the Authority’s commodity risk management activities and the results of such activities.”

- PSEG ER&T and PSEG ERM provide to the ERMC staff on a daily basis a hedge transaction report, hedge position report and position valuation report. In addition, the following table identifies several other required reports to the ERMC, their distribution and reporting frequency and the originator of the reports.

| Report | Distribution | Normal Frequency | Originator |
|------------------------------|---------------------------------|------------------------------|---------------------------------------|
| Trading Activity Summary | ERMC Traders | Weekly | Middle Office |
| Position Report | ERMC Traders | Weekly | Middle Office |
| Credit Risk Exposure Reports | ERMC Traders | Weekly | Middle Office |
| ERMC Meeting Minutes | ERMC | As Meetings are Held | ERMC Designated Secretary |
| Benchmarking | ERMC | Quarterly | Independent third-party hedge advisor |
| Risk Management Activities | Board Finance & Audit Committee | At least four times per year | CFO or designee |

The Policy requires “Ensuring that all Power Supply Hedging Program activities are in accordance with this Board Policy Statement”.

- **All active participants of the Power Supply Hedging Program are required to read and comply with the ERMCA Approved Policies, Control and Procedures Manual for Power Supply Hedging (“Manual”), which incorporates the Board Policy. All active participants are required to certify compliance with the Manual and Policy by executing the Yearly Certification of Compliance with Risk Management Policy and Procedures Form.**

The Policy requires “Determining the Authority’s tolerance for exposure to fuel and purchased power price movements and power supply cost volatility taking into account the costs of limiting such exposure.”

- **The ERMCA has approved a Manual for the hedging program that establishes the Authority’s tolerance for exposure to fuel and purchased power price movements. The ERMCA has established minimum and maximum hedging limits by time-period as well as collateral posting limits.**
- **The cost of the hedging program is evaluated each day in the form of mark-to-market value of the positions and stress testing collateral exposure potential of all positions execute to limit PSC volatility.**

The Policy requires “Addressing all risk factors that are demonstrably quantifiable, actionable and material to the program.”

- **The ERMCA approved Manual specifically identifies authorized markets and delivery points, permissible hedge instruments and the terms and volumes available for hedging to reduce PSC volatility. Within the Manual there is also a specific LIPA Hedge Plan that addresses the PSC hedge components that are quantifiable, actionable and there is market liquidity available to hedge the required products and delivery points (i.e. natural gas, gas basis, power, power basis).**

The Policy requires “Establishing risk boundaries consistent with such tolerances and evaluating allowable financial and physical instruments in executing the Power Supply Hedging Program.”

- **The ERMCA approved Manual specifically identifies authorized markets, delivery points, permissible hedge instruments, terms and volumes associated with hedging to reduce PSC volatility. Within the Manual there is also a specific LIPA Hedge Plan which addresses minimum and maximum hedge levels by time-period – consistent with utility peers.**

The Policy requires “Establishing appropriate processes and protocols to review and monitor counterparty credit worthiness on a regular basis.”

- **The Manual identifies specific procedures carried out by PSEG Credit Risk Management on behalf of the Authority for managing and monitoring counterparty**

credit risk on an on-going basis. PSEG Credit Risk Management provides the ERM with a credit report each week as noted above.

The Policy requires “Monitoring Commodity Futures Trading Commission rule making and all other regulatory and legal requirements to ensure that the Authority is taking all actions required to maintain compliance with respect to any transactions under the Power Supply Hedging Program.”

- PSEG ER&T, PSEG Corporate Legal department and the Authority’s outside counsel monitor Commodity Futures Trading Commission regulatory rule-making to determine what actions, if any, the Authority is required to undertake to assure continued compliance.

Proposed Changes to the Board Policy

The proposed amendments to the Policy include:

- Modifying the hedge term horizon in which the ERM would require the approval of the Finance and Audit Committee of the Board from sixty (60) months to seventy-two (72) months. The modification is based on observed opportunities to lower month-to-month volatility of power supply costs to the Authority’s customer-owners over a greater period of time;
- Clarifying the ERM’s role under the Policy;
- Recognizing PSEG ER&T’s role on the Authority’s behalf to manage the volatility associated with fuel and purchase power costs to the Authority’s customer-owners;
- Clarifying LIPA Staff’s oversight responsibility under the Policy;
- Amending the reporting requirement to the F&A Committee to semi-annual reporting with an annual compliance report; and
- Certain other non-material wording changes.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

1429. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE POWER SUPPLY HEDGING PROGRAM POLICY

WHEREAS, the Power Supply Hedging Program Policy (the “Policy”) was originally approved by the Board of Trustees by Resolution No.1352, dated March 29, 2017; and

WHEREAS, the Board has received the Staff report on compliance with the Policy; and

WHEREAS, the Board has reviewed the Policy and affirms that changes to the Policy are required.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the last review, approves the report to the Board, and approves the updates to the Policy.

Chair Suozzi stated that the next item on the agenda was the CEO's Report to be presented by Thomas Falcone.

Mr. Falcone presented the CEO Report and took questions from the Trustees.

Chair Suozzi stated that the next item on the agenda was the CFO's Report to be presented by Kenneth Kane.

Mr. Kane presented the CFO Report and then took questions from the Trustees.

Chair Suozzi stated that the next item on the agenda was the Secretary's Report on Board Policies and Communication to be presented by Bobbi O'Connor.

Ms. O'Connor presented the Secretary's Report and then took questions from the Trustees.

Chair Suozzi stated the next item on the agenda was the PSEG Long Island Operating Report presented by Daniel Eichhorn.

Mr. Eichhorn s presented the PSEG Long Island Operating Report and took questions from the Trustees.

Chairman Suozzi stated the last item on the agenda was the Approval of the Annual Report to the Board on the Customer Service Policy to be presented by Michael Deering and Rick Walden.

After requesting a motion on the matter, which was seconded, Mr. Deering and Mr. Walden presented the following action items and took questions from the Trustees.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution: (i) finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority” or “LIPA”) have complied with the Board Policy on Customer Service (the “Customer Service Policy” or the “Policy”) for the period since the last annual review of the Policy; (ii) approving the annual report for the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as Exhibit “A”.

Background

By Resolution No. 1370, dated July 26, 2017, the Board adopted the Customer Service Policy. The purpose of the Policy is to set objectives and standards for high levels of customer service and satisfaction. The Board conducts an annual review of the Policy and, with the advice of Authority Staff, where appropriate, considers as part of its annual review whether LIPA has remained in compliance with the Policy and whether any updates or revisions should be made to the Policy.

Compliance with the Customer Service Policy

Staff recommends, for the reasons set forth below, that the Board find that LIPA has been in compliance with the objectives of the Policy for the period since the last annual review.

Customer Service: The Policy states, “Funding cost-effective initiatives and ongoing operations to provide customers with a level of service, as measured by industry standard customer service metrics, within the first quartile of peer utilities by 2018.”

- PSEG Long Island’s average speed of answer improved last year to 19 seconds and abandoned calls declined to 0.8%. These metrics have improved in each of the last 5-years and are within first quartile among peer electric utilities.
- Customer complaints declined to 4.9 complaints per 100,000 customers and are within first quartile line performance among New York State utilities.
- First call resolution in the call center improved to 64.2%. First call resolution was added as a Tier 2 metric in 2017 and is targeted for further improvement.

Customer Satisfaction: The Policy states, “Funding cost-effective initiatives and ongoing operations so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within the first quartile of peer utilities by 2022.”

- Since 2014 PSEG Long Island is ranked as the most improved utility by J.D. Power., with an increase of 161 points. Only 20 utilities across the country showed an increase of 100 points or more during this period. All six sub-categories (power quality and reliability, price, billing and payment, corporate citizenship, communications and customer service) have increased each year over the prior year.
- PSEG Long Island met its customer satisfaction target for 2018, and LIPA and PSEG Long Island have established targets to achieve first quartile by 2022 with annual improvement each year.
- PSEG Long Island Residential and Business After-Call and Personal Contact Surveys demonstrate continued improvement, with 94.4%, 94.0% and 95.8% of respondents, respectively, indicating satisfaction with PSEG Long Island service.

Customers to be Provided with Information and Tools to Manage Energy Use: The Policy states, “Supporting programs so that customers have information, education, and tools to manage their energy use according to their needs, including innovative billing options and emerging technologies and communications tools that enable multi-directional customer relationships for distributed resources and electric vehicles.”

- The 2018 Utility 2.0 Plan builds off prior filings with a four-year deployment of smart meters to all customers to provide each customer with real-time information and services. This data helps educate customers on usage, enables innovative rate structures, and helps customers make educated decisions to reduce their electric bill.
- Some tools enabled by the 2018 Utility 2.0 plan include:
 - New customer rate options;
 - A rate comparison tool;
 - Real time usage data and alerts;
 - Faster outage detection and restoration times;
 - Remote connect/disconnect for move in/out; and
 - Expanded incentives for electric vehicles.
 - Several new programs have been deployed since the last annual Policy report, including:
 - A SmartSaver Program that pilots techniques and rate designs to enable a more efficient electric grid, for potential broader deployment;
 - A workplace charging program for electric vehicles; and
 - Home Energy Reports that are mailed to 340,000 customers, providing information on energy use and energy efficiency tips.

Customer Information Protected: The Policy states, “Protecting customer information from unauthorized access, use, disclosure, disruption, modification or destruction.”

- PSEG Long Island has assessed its data privacy framework, practices, and procedures as recommended by the National Institute of Standards (“NIST”) and has put in place:
 - notifications to customers of data being collected, reasons for collection, and intended use, retention and sharing of data; and
 - safeguards that protect customer information from unauthorized access or improper use.
- The Meter Data Management System to be deployed by year end has been developed with configurations to support industry standard data rules to protect information collected from loss, theft unauthorized access, disclosure, copying, use or modification, and to maintain integrity across the systems and to improve data privacy standards.

Utility Communications: The Policy states, “Providing utility communications that are: (i) accurate and easily accessible; (ii) understandable, including accurate billing that can be easily interpreted and conveniently paid; and (iii) proactive regarding potential weather-related and/or emergency situations, including information on the restoration of electric outages.

- PSEG Long Island’s e-mail database contains 494,000 email addresses, which is near industry levels (PSEG Long Island 21.5% vs. 24.3%);
- Customers receiving paperless bills reached approximately 19% (200,000) of all customers;
- Revenue collected via text payments continues to increase as the number of payments received electronically continues to steadily grow reaching 59.6%;
- PSEG Long Island enhanced the billing, energy usage, and payment processes provided to customers through My Account since the last Policy report with:
 - An updated design to match new website;
 - Addition of myEnergy portal and new online Home Energy Analyzer;
 - Streamlined processes for frequently accessed activities (registration, bill pay) and for scheduling payment; and
 - Added option to enroll in Paperless Billing from registration and DirectPay processes.
- PSEG Long Island improved the ability to communicate with customers during weather and/or emergency situations by
 - Enabling pre-storm broad casting text messages and other features, with 75% of outages reported via self-service in the last major storm event;
 - Improving MyAccount:
 - Added option for customers to use their telephone number and zip code to report an outage as a guest; and
 - Added banner to the dashboard with estimated restoration times when there is a known outage.
 - Improving the Outage Map, including:
 - Adding information about crew status and cause of outage;
 - Adding the ability to add photographs of damage and/or restoration activities;

- Identifying outages by an area-only tab; and
- Adding a weather overlay of the map.

2018 Work Plan

LIPA's 2018 Work Plan includes the following goals to advance the Policy:

- **Goal #22:** Establish new multi-year performance goals, associated metrics, and budgets to take effect in 2019 for customer service based on industry best practices.
- **Goal #23:** Assess results of PSEG Long Island's "moment of truth" surveys and other data sources of customer satisfaction.
- **Goal #24:** Oversee PSEG Long Island's Utility 2.0 plan filing¹ and the multi-year program for smart meters.
- **Goal #25:** Enhance LIPA's communications with stakeholders, investors, and Trustees by launching new website and producing more concise and informative Board materials.

It is anticipated that these goals will be completed by year end.

Proposed Changes to the Board Policy

The proposed changes to the Policy include only non-material clarifications and formatting changes as shown in Exhibit "B".

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of the following resolution.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously approved by the Trustees.

1430. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE CUSTOMER SERVICE POLICY

WHEREAS, the Customer Service Policy (the "Policy") was originally approved by the Board of Trustees by Resolution No. 1370, dated July 26, 2017; and

¹ <https://www.lipower.org/wp-content/uploads/2018/06/2018-06-29-PSEG-LI-Utility-2.0-2018-Annual-Update.pdf>

WHEREAS, the Board has received the annual Staff report on compliance with the Policy; and

WHEREAS, the Board has reviewed the Policy and affirms that changes to the Policy are required.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Customer Service Policy for the period since the adoption of the Policy, approves the annual report to the Board, and approves updates to the Policy, as recommended herein.

Chairman Suozzi then allowed public comment to be heard, and then announced that the next Board meeting is scheduled for Wednesday, October 24, 2018 at 11:00 a.m. in Uniondale.

Chairman Suozzi asked for a motion to adjourn to Executive Session and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:

1431. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing personnel and litigation matters.

At approximately 12:49 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
