October 15, 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 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: November 15, 2018 May 15, 2018

Adjusted Charge: $0.002490 per kWh $0.002164 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the June 15, 2019 debt service payment and the charge required to meet both the June 15, 2019 payment and the December 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 - 2015 Bonds

Securitization Charge to be Effective on November 15, 2018

<table>
<thead>
<tr>
<th>Expense Component</th>
<th>Payment Due</th>
<th>Combined</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>-$195,568</td>
<td>-$391,137</td>
</tr>
<tr>
<td>Replenish/(Release) Reserve Fund</td>
<td>-$167,962</td>
<td>-$167,962</td>
</tr>
<tr>
<td>Revenue from Prior Periods</td>
<td>-$3,066,931</td>
<td>-$3,066,931</td>
</tr>
<tr>
<td>Ongoing Servicer Fee</td>
<td>$250,529</td>
<td>$501,058</td>
</tr>
<tr>
<td>Administration Fees</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Bond Administration Fees</td>
<td>$30,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>$16,702</td>
<td>$33,404</td>
</tr>
<tr>
<td>Directors and Officers Insurance</td>
<td>$36,188</td>
<td>$72,375</td>
</tr>
<tr>
<td><strong>Total to be Recovered</strong></td>
<td><strong>$21,402,633</strong></td>
<td><strong>$46,040,158</strong></td>
</tr>
</tbody>
</table>

Allowance for Write-off at .660%

| Allowance for Write-off at .660% | $142,196 | $305,884 |

## Revenue to be Recovered

| Revenue to be Recovered | $21,544,828 | $46,346,041 |

### kWhs (based on 36 Days Sales Outstanding)

- 8,652,545,331
- 18,930,143,544

### Last Billing Date

- May 10, 2019
- November 9, 2019

### Securitization Charge (per kWh)

| Securitization Charge (per kWh) | $0.002490 | $0.002448 |

### Notes:

1) $142,196 / $21,544,828 = .660%
   
   Write-off rate based on PSEG Long Island Scorecard August 2018

2) Days Sales Outstanding based on PSEG Scorecard August 2018
   
   Billings on May 10 will be received 36 days later on June 15
   
   Billings on November 9 will be received 36 days later on December 15
   
   Billed sales reflect latest projections as of August 2018
Required Distribution List:

**UDSA Trustees:**
Bruce Levy
Robert Gurman

**Allocation Agent:**
Long Island Power Authority

**Bond Administrator:**
LIPA
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11553
Attention: Anna Chacko, General Counsel

**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

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

**Bond Issuer:**
Utility Debt Securitization Authority
c/o Long Island Power Authority
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11553
Attention: Anna Chacko, General Counsel