



CEO Report

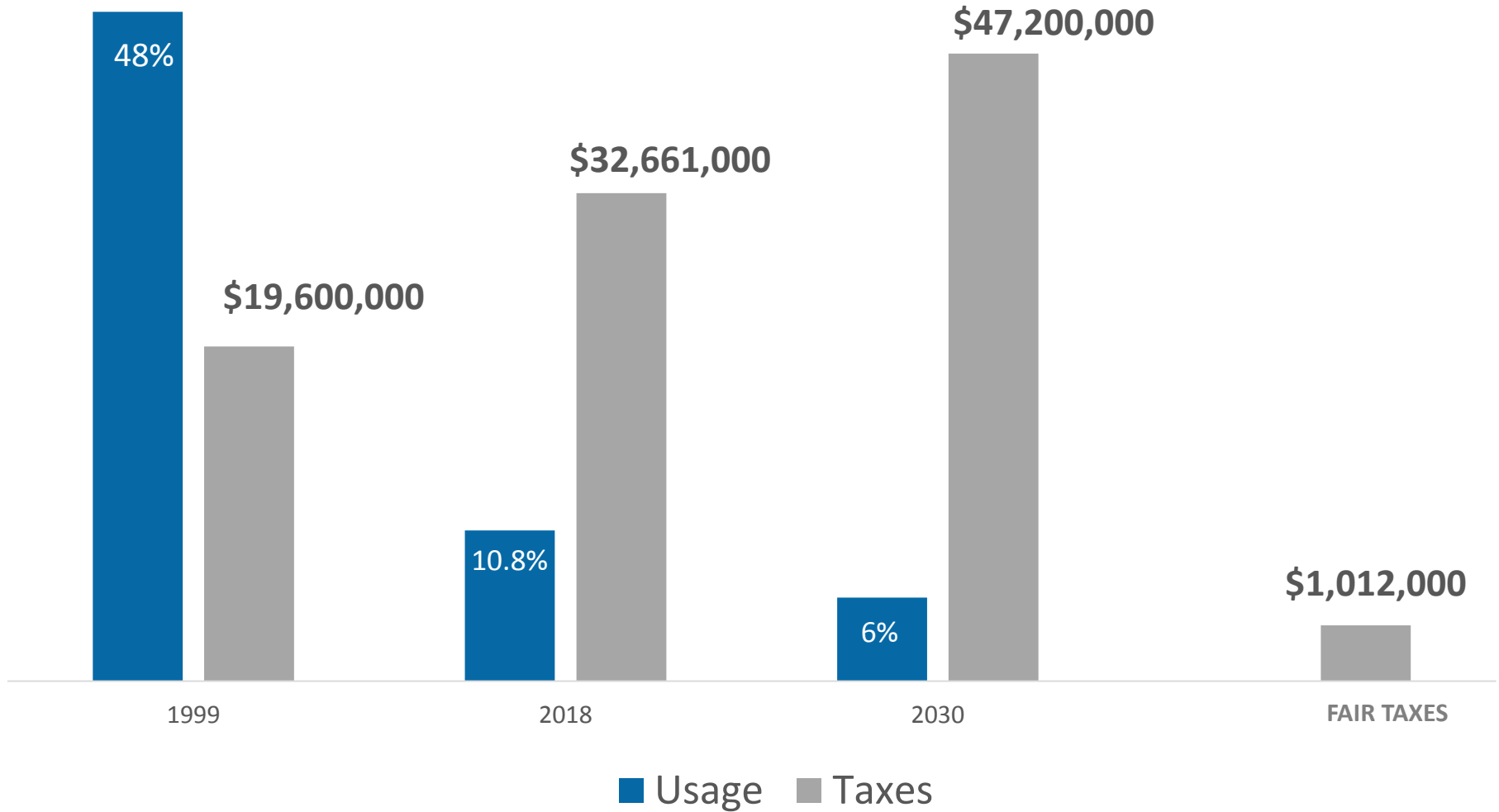
December 19, 2018

LIPA POWER PLANTS AMONG HIGHEST TAXED PROPERTY IN AMERICA

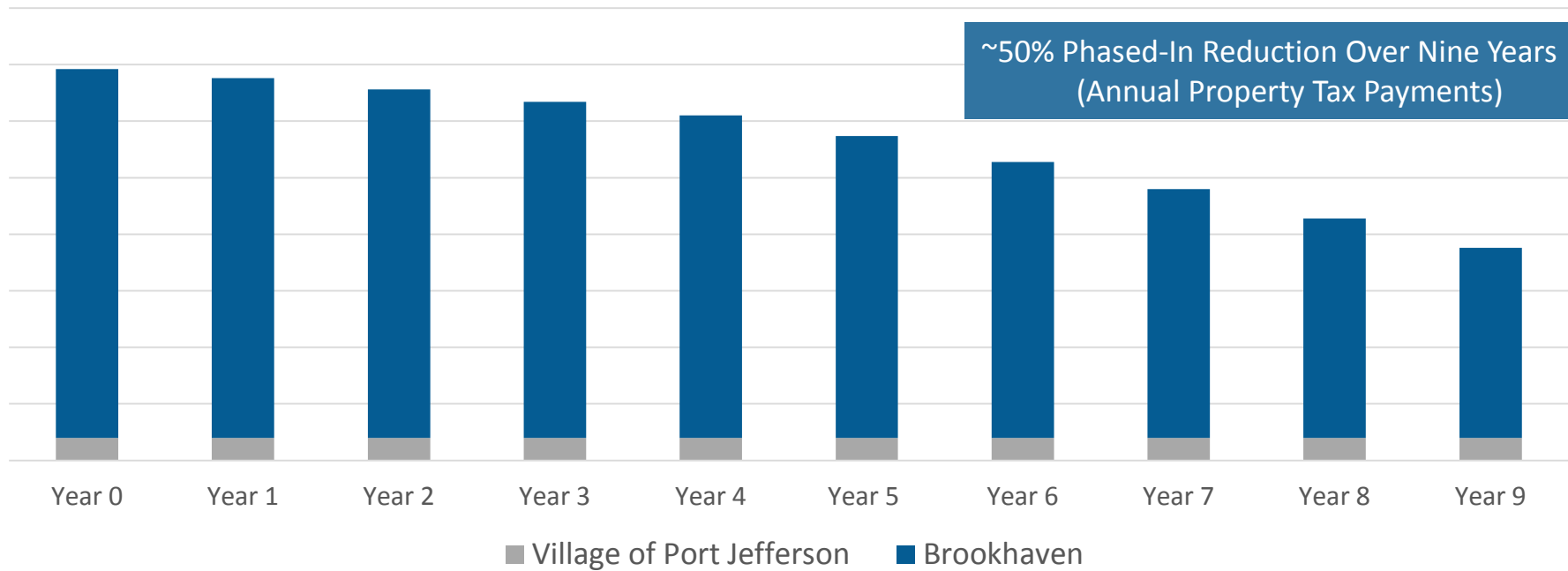
Rank	2017 Taxes	Building Name	City, State	Year Built
1	\$82,093,239	Northport Power Station	Northport, NY	1967
2	\$75,568,292	General Motors Building	New York, NY	1968
3	\$66,504,858	Stuyvesant Town	New York, NY	1945
5	\$52,089,329	MetLife Building	New York, NY	1963
11	\$42,617,000	E.F. Barrett	Island Park, NY	1956
15	\$39,895,406	Empire State Building	New York, NY	1931
21	\$36,576,768	Exelon - Byron Nuclear Generating Station	Byron, IL	1985
22	\$35,642,819	Disneyland® Resort	Anaheim, CA	1955
27	\$32,661,000	Port Jefferson Power Plant	Port Jefferson, NY	1958
28	\$31,742,883	Sears/Willis Tower	Chicago, IL	1973
31	\$30,761,902	Mall Of America	Bloomington, MN	1990
44	\$23,000,000	Glenwood Landing Power Plant	Glenwood Landing, NY	1967
58	\$20,411,225	Borgata Hotel and Casino	Atlantic City, NJ	2003
68	\$19,230,044	The Waldorf Astoria	New York, NY	1930
76	\$17,912,974	Xcel Energy Monticello Nuclear Generating Plant	Monticello, MN	1971
94	\$16,365,273	Bellagio Hotel and Casino	Las Vegas, NV	1998

Source: CommericalCafe

PORT JEFFERSON POWER PLANT USAGE IS DOWN, BUT TAXES ARE UP

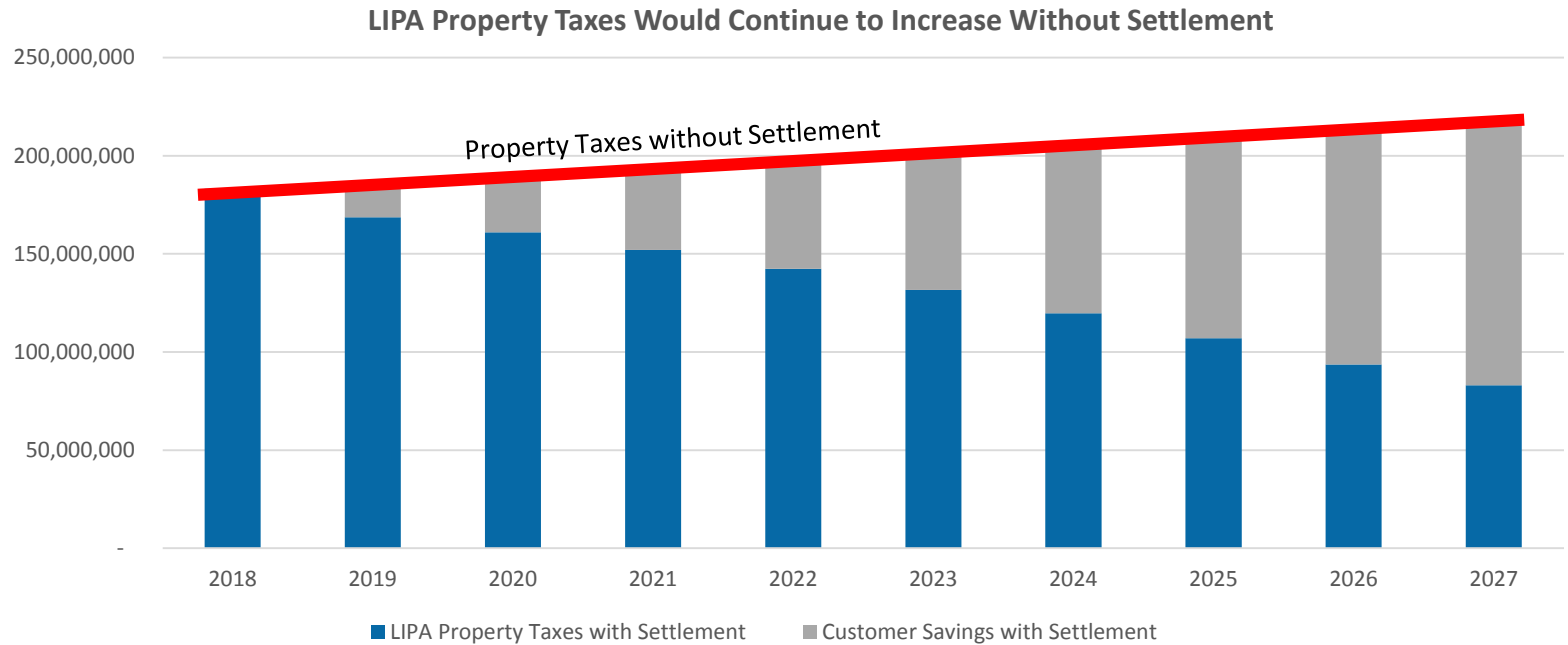


PORT JEFFERSON SETTLEMENT AGREEMENT



- LIPA Customers: 1.1 million
- LIPA Customers in Port Jefferson School District: 2,906
- LIPA will waive a \$225+ million tax refund
- 9-year phase-in with first year reduction of \$1 million

LIPA SEEKS SETTLEMENTS ON THREE OTHER POWER PLANTS



LIPA Property Taxes with Settlement: \$1,160,000,000

LIPA Property Taxes without Settlement: \$1,825,000,000

Total Tax Savings for all LIPA Customers: \$665,000,000

After nine-year settlements for all four legacy power plants

PORT JEFFERSON SCHOOL TAXES ARE 36% BELOW AREA AVERAGE

Port Jefferson Power Plant



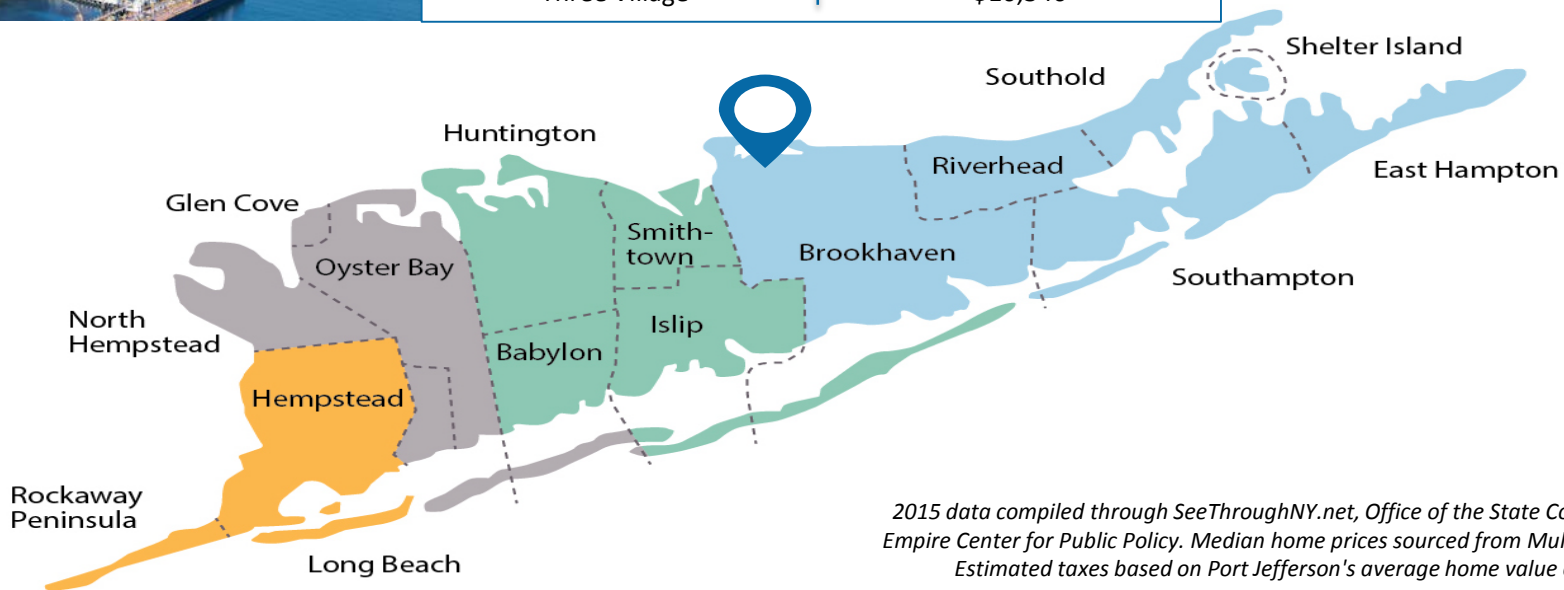
Average Yearly School Taxes

Area School Districts	2015 Calculated Tax
Brookhaven-Comsewogue	\$10,141
Miller Place	\$10,705
Mount Sinai	\$10,415
Port Jefferson	\$6,273
Rocky Point	\$11,068
Three Village	\$10,346

Average home price: \$427,000

Spending per pupil: \$31,547

Port Jefferson school taxes are \$4,000 - \$5,000 per year below those in neighboring districts in the Town of Brookhaven



2015 data compiled through SeeThroughNY.net, Office of the State Comptroller, and the Empire Center for Public Policy. Median home prices sourced from Multiple Listing Service. Estimated taxes based on Port Jefferson's average home value of \$427,500.