



SECRETARY'S REPORT

January 2019

CUSTOMER –TRUSTEE COMMUNICATIONS

- Correspondence from customers and other stakeholders is regularly monitored by LIPA staff
- Ordinary course, utility-related matters are forwarded to the proper business unit at PSEG Long Island
 - Bill complaints
 - Rebate questions
- Inquiries regarding sharing information with LIPA or obtaining information from LIPA are handled by LIPA staff
- Nothing has been received since the December 2018 Board meeting that should be raised with the Trustees at this time



BOARD POLICY CALENDAR



- Oversight Policy
- Policy on Taxes, PILOTs, and Assessments

● **January**

- Investment Policy
- Debt and Access to Credit Policy













● **March**



- T & D System Reliability Report

● **May**

BOARD POLICY DASHBOARD

Policy	Status	Latest Report	Next Report	Supporting Information
Taxes & PILOTs		February 2018	January 2019	
Oversight & LIPA Operations		March 2018	January 2019	2018 Accomplishments
Investment		March 2018	March 2019	
Debt and Access to Credit		July 2018	March 2019	
T & D Reliability		May 2018	May 2019	
Economic Development		May 2018	May 2019	
Resource Planning, Efficiency, & Renewable Energy		July 2018	July 2019	Integrated Resource Plan Energy Efficiency & Renewables
Regionally Comparable Rates		July 2018	July 2019	
Customer Service		September 2018	September 2019	
Staffing and Employment		October 2018	September 2019	
Enterprise Risk Management		September 2018	September 2019	
Power Supply Hedging		September 2018	September 2019	
Construction of T&D Projects		December	December 2019	
Safety		November 2018	December 2019	
Governance & Agenda Planning		October 2018	December 2019	2019 Agenda Planning

WORK PLANS

- A strategic tool to establish priorities and manage resources to further LIPA's mission and the Board's policies
- 2018 Work Plan Recap:
 - 91 objectives to further our mission
 - 58 objectives complete
 - 33 made substantial progress and continuing into 2019



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SELECT 2018 ACCOMPLISHMENTS

- ✓ Upgraded New York's first Offshore Wind Farm with next-generation technology to cost-effectively boost output and to power nearly 70,000 homes
- ✓ Reached a milestone agreement to gradually lower the amount of property taxes LIPA customers pay for the Port Jefferson power plant through their electric bill
- ✓ Reduced the cost of our power supply by \$32 million per year by negotiating new agreements, contracts, and tax benefits
- ✓ Approved four-year Smart Meter deployment to empower customers to manage their energy use and lower energy costs
- ✓ Improved LIPA's financial condition and positioned the Authority for future credit rating upgrades
- ✓ Approved new incentives and programs to encourage electric vehicle adoption
- ✓ Completed the 2018 DPS Management Audit and filed implementation plan
- ✓ Enhanced LIPA's internal performance culture through new training, software, and development initiatives
- ✓ Launched new LIPA website – recognized by the American Public Power Association

2019 WORK PLAN

- Work plan separated by key categories:



Finance and Financial Oversight

STRATEGIC PROJECTS:

- Pursue gas and electric prepayments to reduce power supply costs
- Establish a process to routinely evaluate and pursue fairness for all LIPA customers with regards to property tax assessments on transmission and distribution property
- Prepare rate case filing for 2021 and beyond

SELECTED OPERATIONS OR OVERSIGHT ACTIVITIES:

- Monitor FEMA program to ensure costs are appropriately managed and any potential overruns are identified timely
- Develop and implement 2020 rate plans, per the 2019 Utility 2.0 filing, and update road modernization roadmap
- Oversee PSEG Long Island's implementation of a pilot program related to heat pumps for electric heat customers
- Review pole attachment fees for wireless communications
- Oversee PSEG Long Island's implementation of Utility 2.0 programs for behind-the-meter energy storage and electric vehicles and evaluate new customer products and services for 2019 Utility 2.0 filing
- Review OFEB Account funding strategy in advance of 2020 budget
- Implement process improvements for reporting funds expended for capital assets financed by tax exempt bonds
- Evaluate option to buy certain real property instead of leasing
- Evaluate customer choice and community choice programs

CARRYOVER ACTIVITIES:

- Review PSEG Long Island's use of affiliates compared to alternatives
- Review books and records related to substation hardening efforts for FEMA grant compliance
- Review PSEG Long Island's pole attachment inventory processes
- Implement a new debt covenant compliance system

ACTIVITIES RELATED TO MANAGEMENT AUDIT:

- Continue development of Enterprise Risk Management program within LIPA and PSEG Long Island
- Complete the Financial Oversight Documentation project

Department

Strategic Projects

Selected Operations and Oversight Activities

Carryover Activities

Activities Related to Management Audit