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

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

March
- Investment Policy
- Debt and Access to Credit Policy

May
- T & D System Reliability Report
<table>
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<td>2019 Agenda Planning</td>
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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:
  o 91 objectives to further our mission
  o 58 objectives complete
  o 33 made substantial progress and continuing into 2019
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:**
- Reduce gas and electric utility costs by implementing rate adjustments and cost savings initiatives.
- Accelerate the implementation of key rate adjustments and cost savings initiatives.
- Streamline processes and improve customer service.
- Implement new rate structures.

**Selected Operations and Oversight Activities:**
- Develop and implement new rate structures for electric and gas services.
- Monitor and report on the impact of rate adjustments and cost savings initiatives.
- Conduct regular audits and evaluations of operational processes.
- Implement new technologies to improve efficiency.

**Carryover Activities:**
- Review and finalize fiscal year-end reports.
- Complete outstanding projects and initiatives.
- Conduct internal reviews and self-audits.

**Activities Related to Management Audit:**
- Conduct internal reviews and self-audits to ensure compliance with policies and procedures.
- Implement corrective actions to address any identified risks.
- Conduct a comprehensive audit of key processes.

Department
Strategic Projects
Selected Operations and Oversight Activities
Carryover Activities
Activities Related to Management Audit