



CEO Report

March 20, 2019

UTILITY INDUSTRY TRENDS



Consumers using more energy efficient appliances and lighting



Flat or declining electric sales due to PV solar and energy efficiency

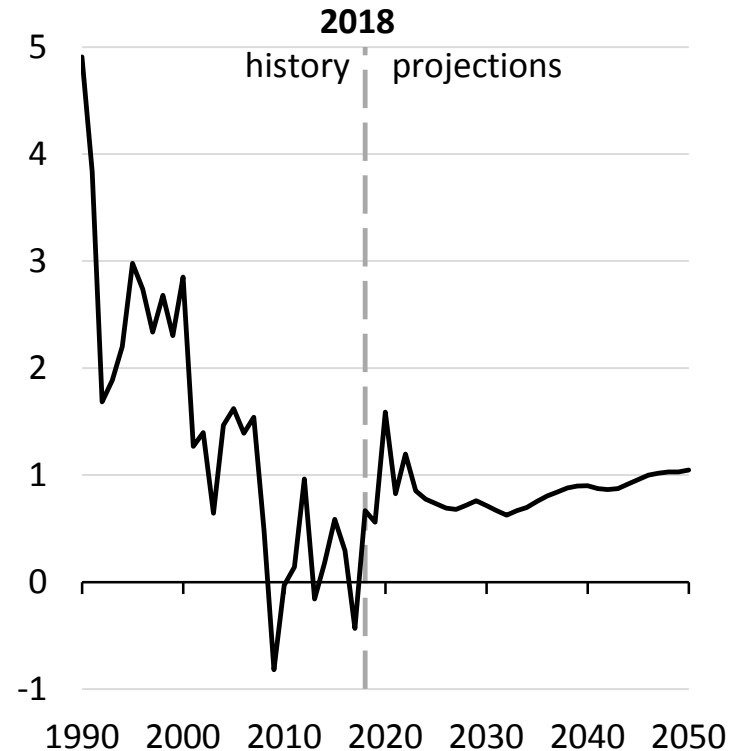


Rapidly declining cost of clean energy and battery storage

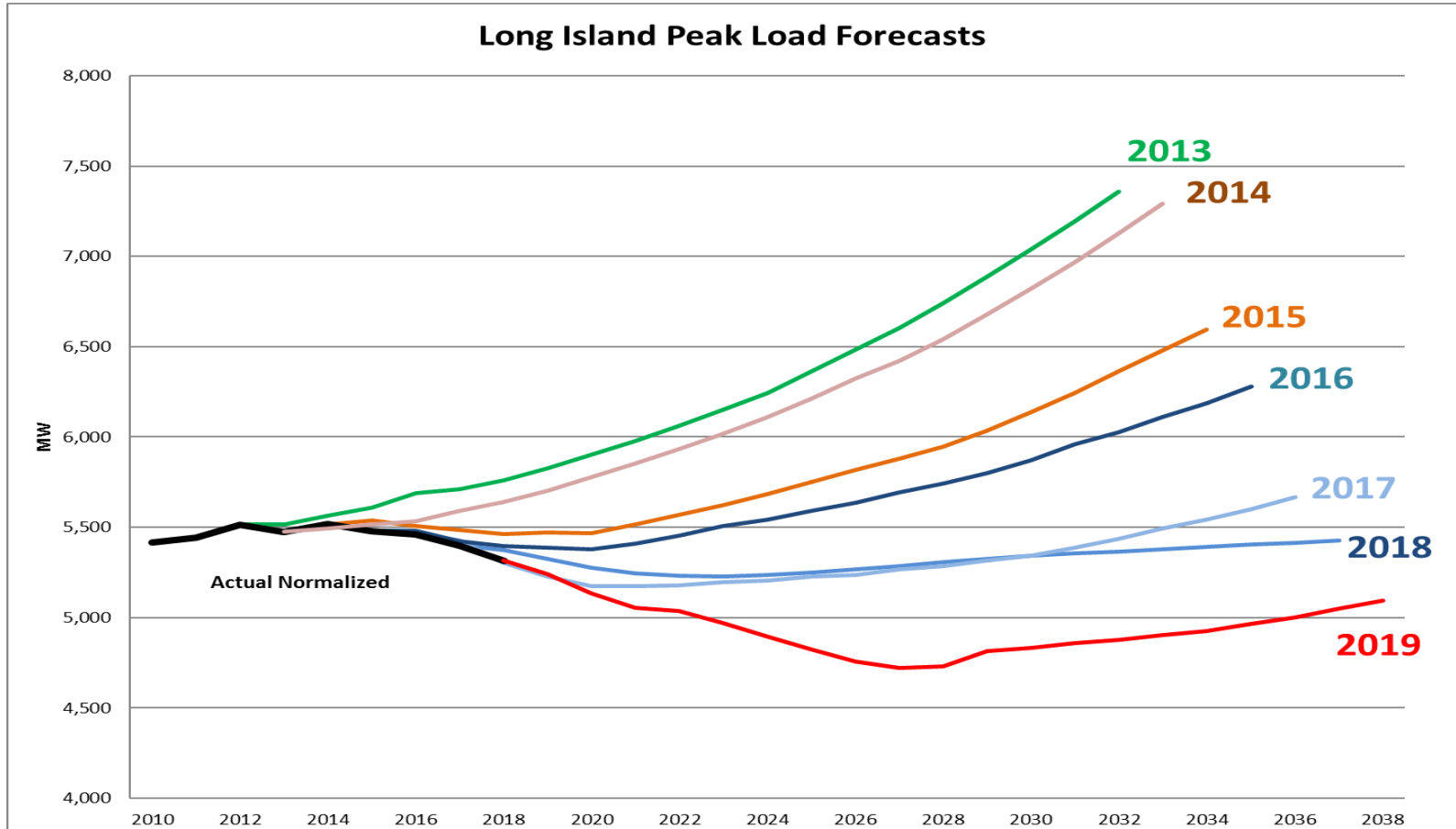


Nation-wide push for clean energy mandates and goals

Electricity use growth rate
percent growth (three-year rolling average)

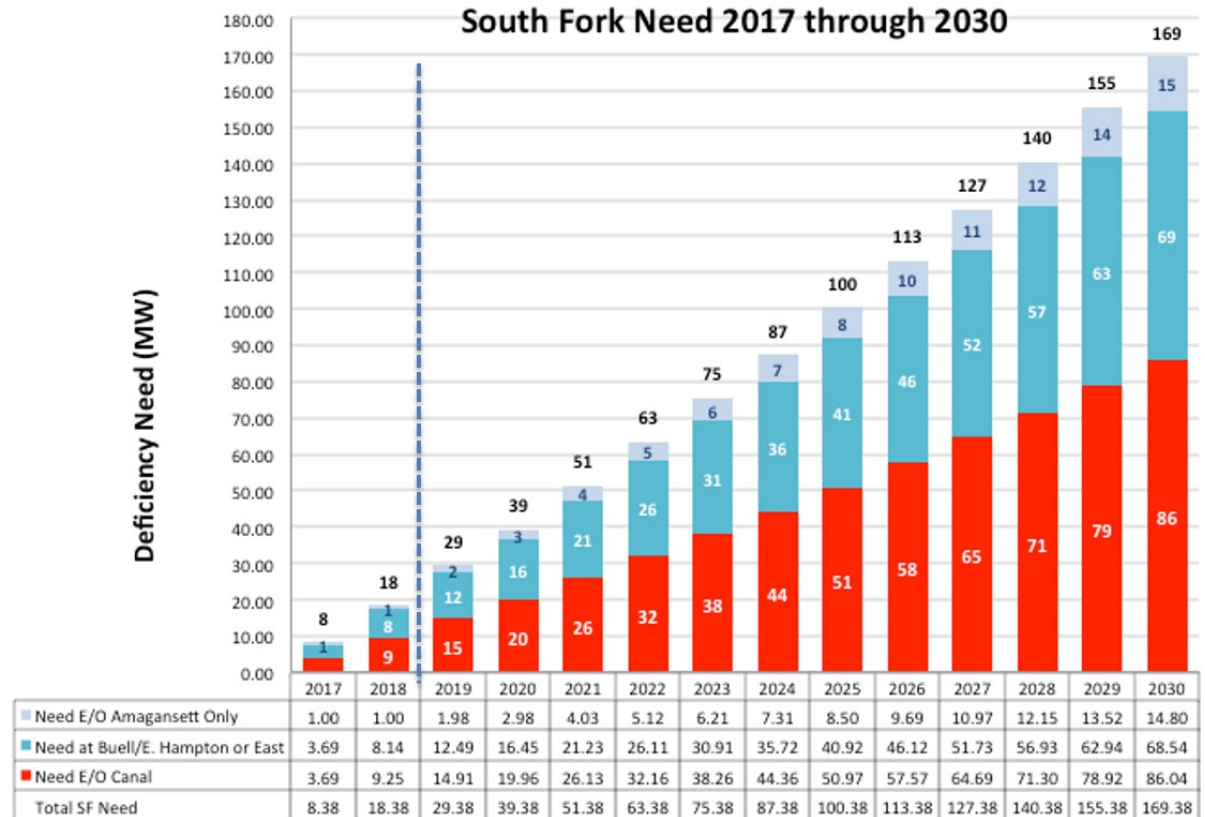


PEAK LOAD FORECAST CONTINUES TO DECLINE



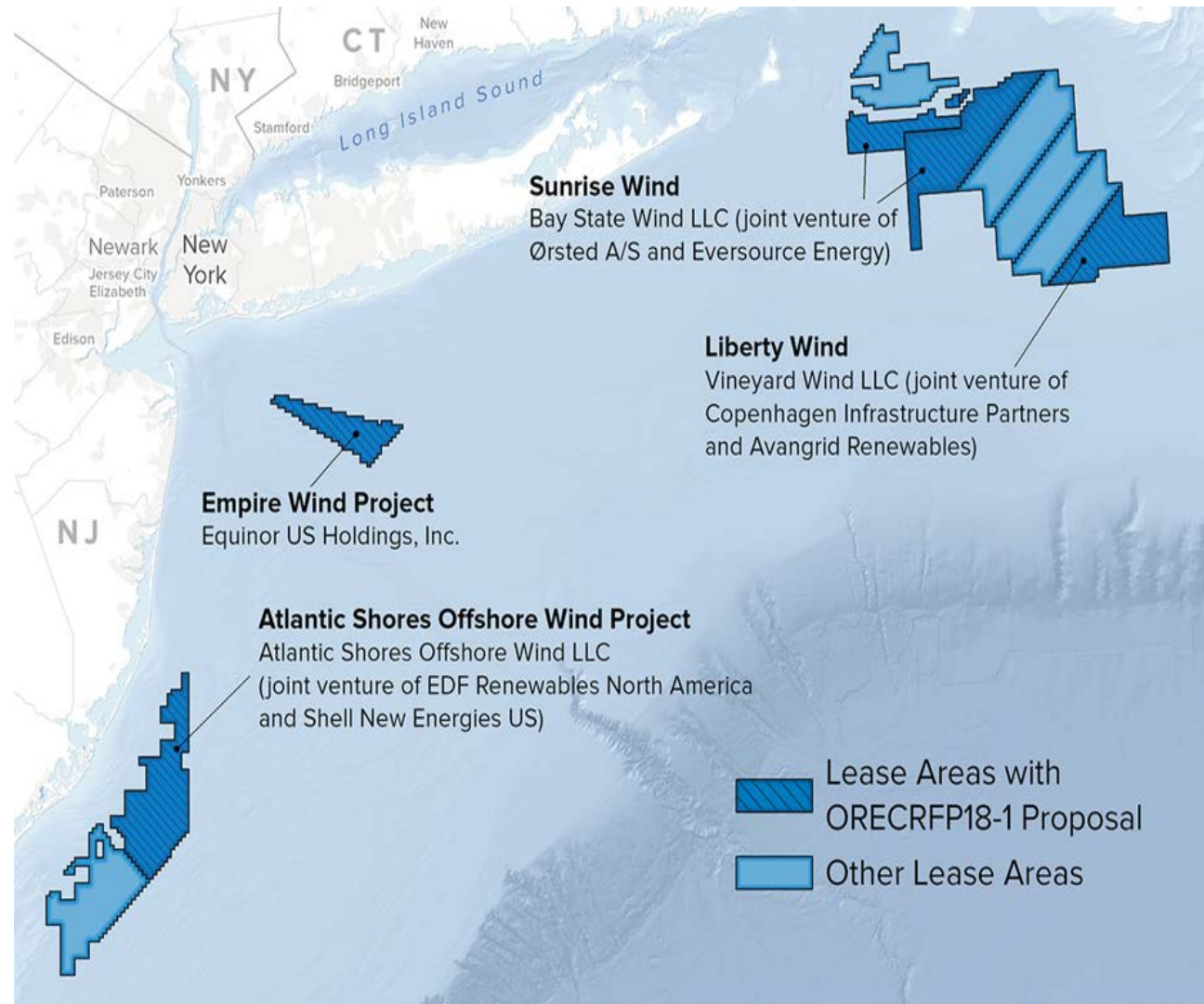
CONTINUED INCREASE IN SOUTH FORK ELECTRIC DEMAND

- Actual projected load forecast for South Fork for 2019 is 3 megawatts higher than forecasted in 2015
- Load reduction programs, temporary generators, and transmission improvements are adequate to meet the 2019 need



Year	Forecast in 2015 South Fork RFP	2019 Forecast (w/o Demand Response)
2019	321	324
2030	420	420

RECORD RESPONSE TO NYSERDA SOLICITATION

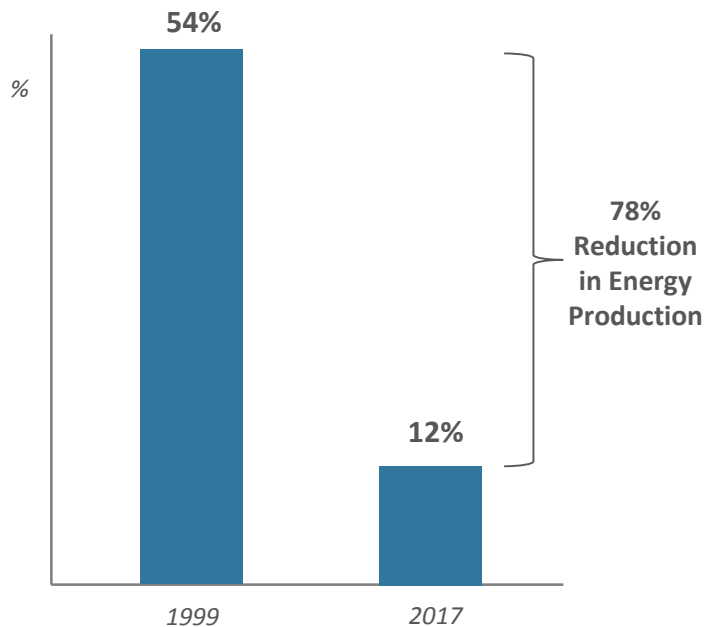


Four developers submitted 18 offshore wind bids to NYSERDA

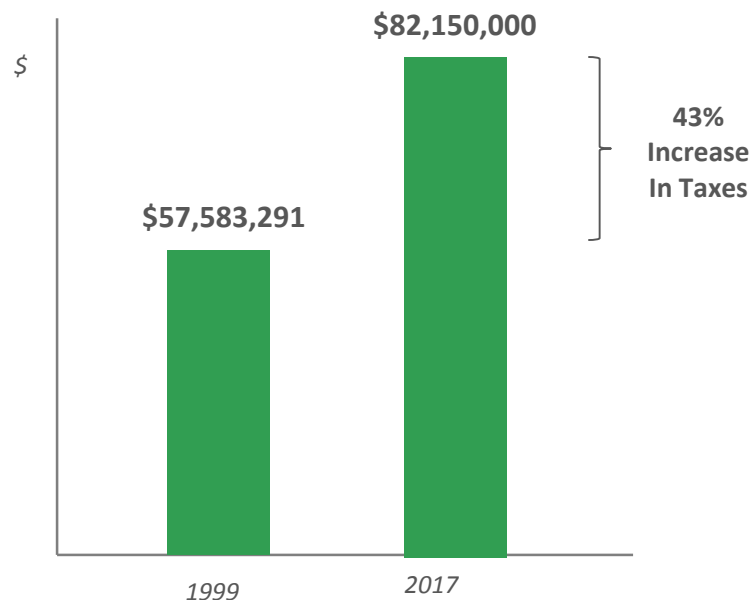
- Awards expected Spring 2019
- Bids are located at nyserdera.ny.gov/OSW-2018-Solicitation

TAX CERTIORARI UPDATE

*Northport Plant Energy Production
Down 78% Since 1999
(Plant Capacity Factor)*

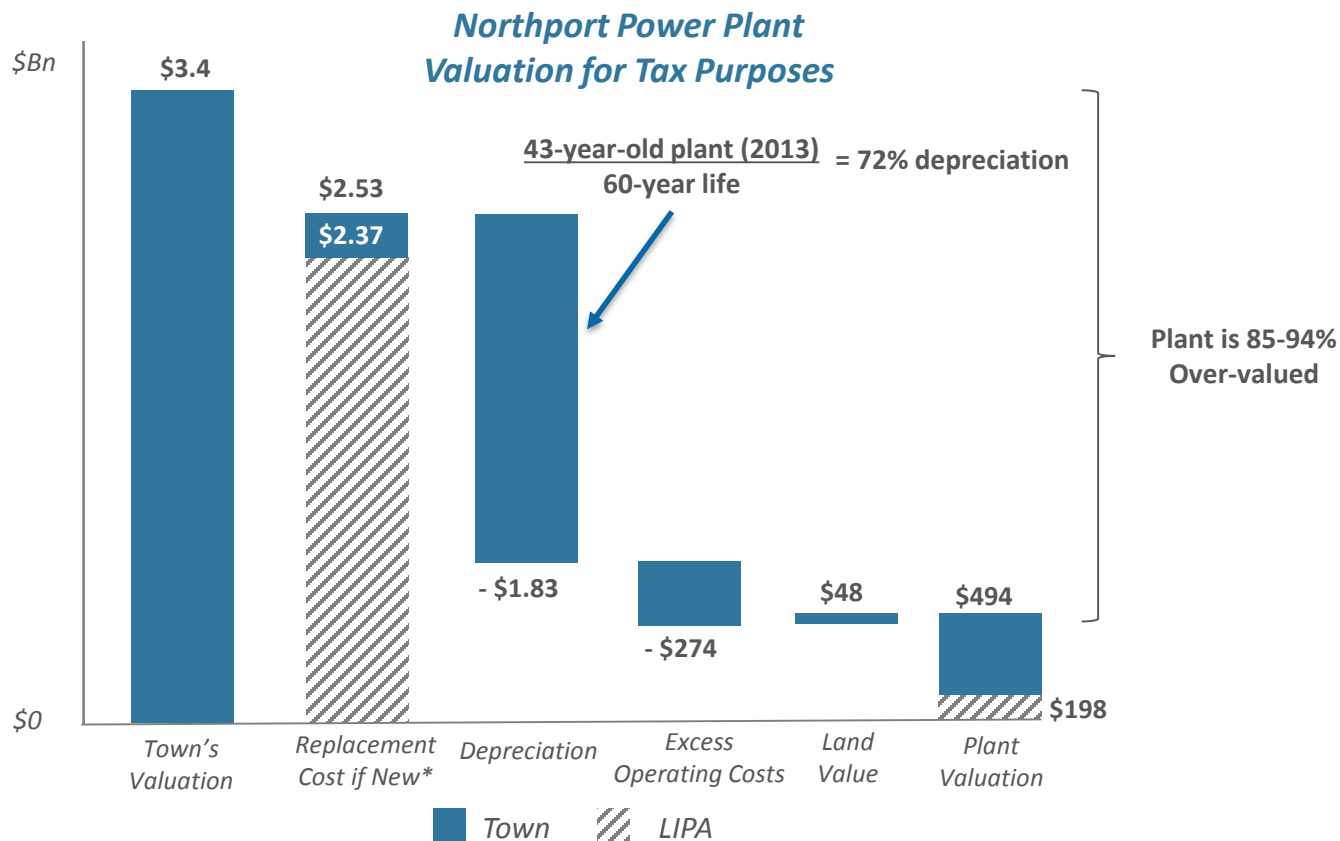


*Northport Plant Taxes Are
Up 43% Since 1999*



- Plant Valuation x Property Tax Rate = **PLANT TAXES (\$82 million)**
- **PLANT VALUATION** = Replacement Cost if New – Depreciation – Other Adjustments

TAX CERTIORARI UPDATE CONTINUED ...



- LIPA settlement offer to Town of Huntington was 50% reduction in taxes phased-in gradually over the remaining term of the National Grid Power Supply Agreement expiring in April 30, 2028
 - Same as the Port Jefferson Settlement Agreement concluded in December 2018
- Mediation was unsuccessful; trial to conclude in April 2019