

LONG ISLAND POWER AUTHORITY
MINUTES OF THE PERSONNEL AND COMPENSATION COMMITTEE
MEETING HELD ON MAY 23, 2018

The Personnel and Compensation Committee of the Long Island Power Authority (the "Authority") was convened at 10:12 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on May 18, 2018 and electronic notice posted on the Authority's website annually.

The following Trustees of the Authority were present:

**Ralph Suozzi, Acting Chairman
Matthew Cordaro, Committee Member
Jeffrey Greenfield, Committee Member
Elkan Abramowitz, Trustee
Sheldon Cohen, Trustee
Thomas McAteer¹, Chairman**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Jon Mostel, General Counsel; Bobbi O'Connor, Vice President of Policy, Strategy and Administration & Secretary to the Board of Trustees; Rick Shansky, Vice President of Operations Oversight; Kenneth Kane, Interim Chief Financial Officer; and Barbara Dillon, Director of Human Resources & Administration.

Acting Chair Suozzi welcomed everyone to the Personnel and Compensation Committee meeting of the Long Island Power Authority Board of Trustees.

Acting Chair Suozzi stated that the first item on the agenda was the adoption of the minutes from the March 29, 2018 meeting.

Upon motion duly made and seconded the minutes of the March 29, 2018 meeting were approved unanimously.

¹ Trustee McAteer participated via conference call

Acting Chair Suozzi stated the next item on the agenda was the Recommendation for the Appointment of General Counsel to be presented by Barbara Ann Dillon.

Ms. Dillon presented the following action item and took questions from the Trustees.

Requested Action

The Personnel and Compensation Committee of the Board of Trustees is requested to approve a resolution recommending the appointment of Anna Chacko as General Counsel of the Authority and its wholly-owned subsidiary, Long Island Lighting Company d/b/a LIPA (collectively “LIPA”), effective July 5, 2018.

Background

In late 2017, Jon Mostel, LIPA’s current General Counsel, informed the Board of his desire to retire upon the appointment of his successor. The Chair of the Personnel and Compensation Committee, Tom McAteer, asked staff to lead the search for the next General Counsel.

LIPA used Mycoff Fry & Prouse (“Mycoff”), an executive search firm that serves many publicly owned utilities across the country, to lead a search. Mycoff is under a multi-year Board-approved contract, which was procured to address the concerns of the Trustees about the limited pool of qualified applicants for LIPA’s most senior positions in past searches. Mycoff has no financial interest in the outcome of the search.

Mycoff advertised the position and conducted targeted outreach to over 100 industry contacts.

These efforts resulted in 14 potential candidates submitting resumes for consideration. Mycoff conducted 13 phone interviews with these individuals before recommending eight candidates to LIPA for in-person interviews. In addition, LIPA identified two candidates independent of Mycoff’s process. In total, seven candidates were interviewed by a panel of 14 LIPA staff members, including LIPA’s CEO, CFO, and current General Counsel.

Based on those interviews, I recommend that Anna Chacko be appointed to the position of General Counsel of LIPA. Ms. Chacko has 20 years of utility, energy, and regulatory law experience, beginning as an Assistant General Counsel in the energy regulatory practice of National Grid in 1997. Her responsibilities included electric rate cases before the Federal Energy Regulatory Commission (“FERC”) and the New York Public Service Commission (“PSC”), electric transmission siting projects, negotiation of power plant and commercial contracts, energy deregulation issues, wholesale market rules, and advising energy trading subsidiaries on federal and state compliance.

After 13 years with National Grid, Anna joined Noble Americas, a natural gas and power market trading firm, and managed regulatory compliance for generation, transmission, and energy markets including FERC, NYISO, ISO-NE, PJM, NERC, CFTC, and DOE.

Ms. Chacko then joined Con Edison as their most senior regulatory counsel. She managed 10 attorneys, filed three major rate proceedings with the PSC, and handled all state regulatory initiatives, including REV and the Clean Energy Standard. In 2017, Anna returned to National Grid as a regulatory and legal consultant.

Prior to her utility and energy career, Anna trained as a litigator for 12 years and was a litigation partner in a New York law firm handling general commercial litigation. Anna completed her undergraduate and legal training in the United Kingdom and has a Master of Laws (LL.M.) from Duke University. Anna currently resides on Long Island, and serves on the Boards of Hands Together NY and the Jeremiah Program.

Comments of the LIPA staff about Ms. Chacko included:

•“best internal manager [of the candidates]”	•“experience with LIPA and knows people”
•“very personable, good with the Board”	•“will be up and running Day 1”
•“knows how to deal with difficult people”	•“industry experience and the best-New York experience [of the candidates]”
•“thoughtful and collected”	•“will coach people”
•“New York rate case experience”	•“has the utility IQ for the position”
•“knows LIPA and New York”	•“would be good with the Board”

I believe Ms. Chacko’s prior legal and utility experience make her well-suited to take over the daily management of LIPA’s Office of General Counsel with an annual salary of \$260,000. This is significantly below the level of compensation Ms. Chacko can earn in the private sector.

In addition, a recent survey of the top 20 largest publicly-owned electric utilities indicated an average base salary for General Counsel of \$280,000, with most utilities in the survey providing performance-based compensation in addition to salary. LIPA does not offer a performance compensation program and has a significantly higher cost of living than nearly all the utilities in the survey.

LIPA staff believes the salary request of \$260,000 is well-supported for a professional of Ms. Chacko’s caliber, and is below average for similar publicly-owned utilities.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action.

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RECOMMENDATION FOR THE APPOINTMENT OF GENERAL COUNSEL

BE IT RESOLVED, that the Personnel and Compensation Committee of the Long Island Power Authority (“Authority”) Board of Trustees hereby recommends the appointment of Anna Chacko as General Counsel, effective on or about July 5, 2018 with an annual salary of \$260,000, until the earlier of her resignation or removal; and

BE IT FURTHER RESOLVED, that the incumbent of the position of General Counsel shall be an officer of the Authority and its subsidiary, LIPA, within the meaning of the Authority’s enabling legislation (Chapter 517 of the Laws of 1986), as amended, including Section 1020-bb of the Public Authorities Law, and all other applicable laws.

Acting Chair Suozzi stated that the last item on the agenda was the Personnel and Compensation Committee’s Annual Self Report to the Board to be presented by Bobbi O’Connor.

Ms. O’Connor presented the Committee’s Annual Self Report to the Board and took questions from the Trustees.

Acting Chair Suozzi then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 10:20 a.m.