



LONG ISLAND POWER AUTHORITY

May 2020
Finance and Audit Committee

LIPA CONSOLIDATED RESULTS – APRIL 2020

(\$ in thousands)	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
Revenues	\$976,390	\$1,024,625	(\$48,235)	-4.7%	\$3,676,860
Power Supply Charge	505,517	548,675	43,158	7.9%	1,845,571
Revenue Net of Power Supply Costs	\$470,873	\$475,950	(\$5,077)	-1.1%	\$1,831,289
PSEG Long Island Operating Expenses	\$203,955	\$204,115	\$160	0.1%	\$621,251
PSEG Long Island Managed Expenses	226,936	230,503	3,567	1.5%	713,161
LIPA Managed Expenses	191,827	196,857	5,029	2.6%	591,435
Total Expenses	\$622,718	\$631,475	\$8,756	1.4%	\$1,925,847
Other Income and Deductions	\$21,355	\$17,034	\$4,322	25.4%	\$57,129
Grant Income	11,380	11,367	13	0.1%	40,960
Total Non-Operating Revenue	\$32,735	\$28,401	\$4,335	15.3%	\$98,089
Change in Net Position	(\$119,110)	(\$127,124)	\$8,014	6.3%	\$3,531

Note: Variance - favorable/(unfavorable)

LIPA MANAGED EXPENSES AND INCOME – APRIL 2020

(\$ in thousands)	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
LIPA Expenses					
LIPA Operating Expenses	\$23,949	\$29,441	\$5,492	18.7%	\$89,761
LIPA Depreciation and Amortization	37,277	37,562	285	0.8%	112,687
LIPA Deferred Amortized Expenses	8,338	8,338	-	0.0%	25,014
Interest Expense, other Interest Costs and Interest Amortizations	122,263	121,516	(748)	-0.6%	363,973
Total Expenses	191,827	196,857	5,029	2.6%	\$591,435
Other Income and Deductions	\$11,697	\$8,627	\$3,070	35.6%	\$32,824
Grant Income	11,380	11,367	13	0.1%	40,960
Total Income	\$23,077	\$19,994	\$3,083	15.4%	\$73,784
LIPA Capital Expenditures	\$1,015	\$1,663	\$647	38.9%	\$6,650

Note: Variance - favorable/(unfavorable)

- Total expenses are under budget by \$5M primarily due to lower consulting expenses and an insurance reimbursement related to litigation costs
- Other income and deductions are favorable against budget by \$3M due to higher realized income than budgeted

LIPA LIQUIDITY POSITION – APRIL 2020

(\$ in thousands)

	April 30, 2020	Days Cash	March 31, 2020	Days Cash
Operating liquidity				
Cash and cash equivalents	\$962,817		\$966,842	
OPEB account cash, cash equivalents & investments	359,009		334,072	
PSEG Long Island working capital requirements	220,562		251,157	
Total operating liquidity	1,542,388	189 days	1,552,071	190 days
Available credit				
General Revenue Notes - Revolving Credit Facility	-		-	
General Revenue Notes - Commercial Paper	250,000		200,000	
Total available credit	250,000		200,000	
Total cash, cash equivalents, investments & available credit	\$1,792,388	219 days	\$1,752,071	214 days
Restricted cash				
FEMA grant proceeds	1,738		1,738	
UDSA	206,029		181,759	
Total restricted cash	\$207,767		\$183,497	

LIPA continues to exceed its required 120 days cash and available credit on hand

PSEG LONG ISLAND OPERATING EXPENSES – APRIL 2020

(\$ in thousands)

	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
<u>PSEG Long Island Operating Expenses</u>					
Transmission & Distribution	\$ 67,503	\$62,224	(\$5,279)	-8.5%	\$188,280
Customer Services	44,214	43,994	(221)	-0.5%	130,497
Business Services	53,121	56,344	3,223	5.7%	172,317
Power Markets	4,060	4,442	382	8.6%	14,156
Energy Efficiency & Renewable Energy	32,905	31,136	(1,768)	-5.7%	88,800
Utility 2.0	2,152	5,974	3,822	64.0%	27,200
Total PSEG Long Island Operating Expenses	\$ 203,955	\$ 204,115	\$ 160	0.1%	\$621,251

Note: Variance - favorable/(unfavorable)

- Transmission & Distribution expenses are over budget by \$5.3M primarily due to work related to COVID-19 of \$3.6M, other support and protection costs totaling approximately \$1.4M; and the remaining increase is due to line academy training and transmission tree trimming which is slightly ahead of schedule
- Business Services expenses are under budget by \$3.2M primarily due to a delay in projects and lower litigation claim payments/reserves, partially offset by work related to COVID-19
- Energy Efficiency & Renewable Energy expenses are over budget by \$1.8M related to timing of rebate adjustment of \$1.1M
- Utility 2.0 is under budget by \$3.8M due to reduced customer marketing communication, delays in Energy Lab Program, printing costs efficiencies and delays of outreach and load reducing initiatives (delayed initiatives due to COVID-19)

PSEG LONG ISLAND MANAGED EXPENSES – APRIL 2020

(\$ in thousands)

	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
<u>PSEG Long Island Managed Expenses</u>					
Uncollectible Accounts	\$7,979	\$6,478	(\$1,500)	-23.2%	\$20,835
Storm Restoration	16,126	20,124	3,998	19.9%	60,000
NYS Assessment	2,728	3,078	350	11.4%	10,318
Utility Depreciation	89,691	90,301	610	0.7%	285,066
PILOTS - Revenue-Based Taxes	9,958	9,888	(70)	-0.7%	35,351
PILOTS - Property-Based Taxes	99,483	99,491	8	0.0%	298,472
Miscellaneous	971	1,143	172	15.0%	3,119
Total PSEG Long Island Managed Expenses	\$226,936	\$230,503	\$3,567	1.5%	\$713,161
Other Income and Deductions	\$9,658	\$9,263	\$395	4.3%	\$25,215

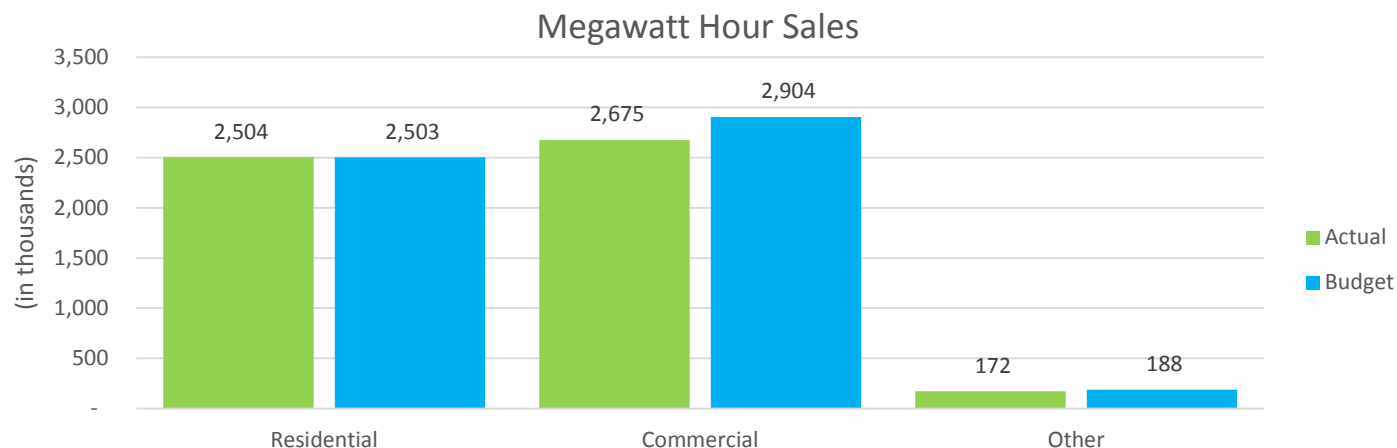
Note: Variance - favorable/(unfavorable)

- Uncollectible Accounts is over budget \$1.5M primarily related to increased reserve to reflect the estimated COVID-19 economic impact
- Storm Restoration is under budget by \$3.9M due to lower restoration costs as PSEG Long Island responded to four storms in 2020, with one mutual aid assistance in April. As a point of reference, through April 2019, PSEG Long Island responded to five storms, none of which included mutual aid assistance at the cost of \$7.8M

PSEG LONG ISLAND REVENUE VARIANCE – APRIL 2020

(\$ in thousands)	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
Total Revenue	\$976,390	\$1,024,625	(\$48,235)	-4.7%	\$3,676,860
Power Supply Charge	505,517	548,675	43,158	7.9%	1,845,571
Revenue Net of Power Supply Costs	\$470,873	\$475,950	(\$5,077)	-1.1%	\$1,831,289

Revenue, net of Power Supply Costs, is \$5.1M lower than budget primarily due to the Delivery Service Adjustment (DSA) resulting from lower budgeted storm expense of \$4M. In addition, miscellaneous revenues are under budget by \$1.9M as a result of the suspension of late payment charges, reconnection charges, service initiation fees and non-access fees (estimated to be suspend until July 2020 to assist customers impacted by COVID-19)



- Sales of electricity were lower than budget by 243 GWh or -4.3% primarily due to the impacts of COVID-19 and associated shut down on all non-essential businesses. This has led to a sharp decline in commercial usage which has been partially offset by an increase in residential sales from the stay at home order. The decrease in sales as compared to budget was further exacerbated by the impact of a milder than anticipated winter

CAPITAL EXPENDITURES – APRIL 2020

(\$ in thousands)

	April Year to Date				Annual Budget
	Actual	Budget	\$ Var.	% Var.	
Transmission and Distribution					
Regulatory Driven	\$11,013	\$32,965	\$21,952	66.6%	\$101,435
Load Growth	66,020	85,570	19,550	22.8%	225,520
Reliability	59,087	55,995	(3,093)	-5.5%	163,186
Storm Hardening	3,811	5,969	2,159	36.2%	37,000
Economic, Salvage, Tools, Equipment & Other	23,265	22,110	(1,155)	-5.2%	39,464
Total Transmission and Distribution Projects	\$163,196	\$202,610	\$39,414	19.5%	\$566,605
Other PSEG Long Island Capital Expenditures					
Information Technology Projects	9,393	11,804	2,411	20.4%	42,883
Customer Operations	3,079	7,061	3,982	56.4%	22,181
Other General Plant Projects	1,050	1,022	(28)	-2.8%	13,027
Fleet	87	0	(87)	n/a	8,875
Utility 2.0	22,195	24,939	2,744	11.0%	67,208
Total Other Capital Expenditures	\$35,805	\$44,827	\$9,022	20.1%	\$154,174
Total PSEG Long Island Capital Expenditures Excluding FEMA	\$199,001	\$247,437	\$48,435	19.6%	\$720,779
FEMA	29,808	41,792	11,984	28.7%	58,665
Capital Storm	970	1,978	1,008	51.0%	5,934
Management Fee	11,231	10,097	(1,135)	-11.2%	30,290
Total PSEG Long Island Capital Expenditures	\$241,011	\$301,303	\$60,293	20.0%	\$815,668
Nine Mile Point 2	\$13,504	\$13,181	(\$323)	-2.5%	\$15,760

Note: Variance - favorable/(unfavorable)

- T&D is under budget by \$39.4M driven by (i) work delays for EGC-Valley Stream for regulatory driven projects and (ii) delays in construction due to operational matters for load growth projects (i.e. permitting, clearance)
- IT Projects are under budget by \$2.4M driven by delays in project implementation
- Customer Operations are under budget \$3.9M primary due to timing of meter purchases and Jones Beach Nature Center construction
- Utility 2.0 is under budget by \$2.7M due to delays in the AMI meter procurement
- FEMA is under budget by \$11.9M due to delays resulting from construction schedule changes, lower construction and material costs

PSEG LONG ISLAND MAJOR CAPITAL EXPENDITURES – OVER \$25M (TOTAL PROJECT COST) – APRIL 2020

Description	Original Total Project Cost (\$M)		Total Project Actuals Through 04/30/20 (\$M)	Current Working Estimate (\$M)	Current Projected Completion Date
	Cost Estimate	Date of Cost Estimate			
Two Way Radio System Replacement	\$42.1	2017	\$37.7	\$47.7	Dec-20
Belmont New Substation	\$51.3	2017	\$18.1	\$44.4	Oct-20
Hempstead: New Substation	\$33.2	2017	\$32.6	\$36.7	Oct-20
Ruland Rd to Plainview: Transmission	\$46.8	2017	\$4.5	\$54.3	Jun-22
East Garden City to Valley Stream: Transmission	\$176.6	2017	\$50.4	\$161.4	Dec-20
Kings Highway: New Substation	\$54.0	2017	\$49.6	\$55.1	Dec-20
Bridgehampton to Buell: Transmission	\$46.1	2017	\$1.5	\$59.6	Jun-23
Riverhead to Canal: Transmission	\$191.5	2017	\$6.0	\$105.3	Jun-21
Lindbergh (Nassau Hub): New Substation	\$51.0	2017	\$29.8	\$63.6	Jun-22
Navy Road New Substation	\$33.5	2017	\$15.4	\$31.7	Dec-22
Fire Island Pines New Circuit to Ocean Beach	\$51.1	2017	\$1.5	\$50.8	Jun-23
Massapequa New Substation	\$22.7	2017	\$1.8	\$29.7	Jun-23
Transmission Operations Control Room Facility Replacement	\$84.0	2018	\$0.0	\$84.0	May-23
Substation Security Expansion Project	\$52.9	2017	\$12.9	\$57.4	Dec-23
Syosset to Shore Rd.: Transmission	\$268.0	2019	\$0.2	\$268.0	Dec-26
Total	\$1,204.8		\$261.8	\$1,149.7	