



February 2021 Financial Results

F&A Committee – March 2021

LIPA CONSOLIDATED RESULTS – FEBRUARY 2021

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
Revenues	\$593,523	\$513,775	\$79,748	15.5%	\$3,661,987
Power Supply Charge	327,930	270,476	(57,454)	-21.2%	1,776,149
Revenue Net of Power Supply Charge	\$265,593	\$243,298	\$22,295	9.2%	\$1,885,837
PSEG Long Island Operating and Managed Expenses					
PSEG Long Island Operating Expenses	81,608	86,094	4,486	5.2%	550,976
PSEG Long Island Managed Expenses	48,567	29,908	(18,658)	-62.4%	186,685
Utility Depreciation	45,838	45,378	(460)	-1.0%	290,151
PILOTs	56,087	55,589	(497)	-0.9%	339,496
LIPA Operating Expenses	12,371	13,137	765	5.8%	90,475
LIPA Depreciation and Amortization	22,925	22,915	(10)	0.0%	137,489
Interest Expense	59,663	58,581	(1,082)	-1.8%	345,834
Total Expenses	\$327,059	\$311,603	(\$15,456)	-5.0%	\$1,941,107
Other Income and Deductions	4,071	6,080	(2,009)	-33.0%	44,062
Grant Income	3,014	2,978	36	1.2%	40,241
Total Non-Operating Revenue	\$7,084	\$9,058	(\$1,973)	-21.8%	\$84,303
Change in Net Position	(\$54,382)	(\$59,247)	\$4,865	-8.2%	\$29,033

Note: Variance - favorable/(unfavorable)

LIPA MANAGED EXPENSES & INCOME – FEBRUARY 2021

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
LIPA Expenses					
LIPA Operating Expenses	\$12,371	\$13,137	\$765	5.8%	\$90,475
LIPA Depreciation and Amortization	18,756	18,746	(10)	-0.1%	112,475
LIPA Deferred Amortized Expenses	4,169	4,169	-	0.0%	25,014
Interest Expense, other Interest Costs and Interest Amortizations	59,663	58,579	(1,084)	-1.9%	345,823
Total Expenses	\$94,960	\$94,631	(\$329)	-0.3%	\$573,788
Other Income and Deductions	697	2,314	(1,618)	-69.9%	22,443
Grant Income	3,014	2,978	36	1.2%	40,241
Total Income	\$3,710	\$5,292	(\$1,582)	-29.9%	\$62,684
LIPA Capital	\$4,550	\$1,083	(\$3,466)	-320.0%	\$6,500

Note: Variance - favorable/(unfavorable)

- Other income and deductions are under budget by (\$1.6M) primarily due to unbudgeted loss in the Rate Stabilization fund

LIPA LIQUIDITY POSITION – FEBRUARY 2021

Liquidity Position

(\$ in thousands)

February 28, 2021 Days Cash January 31, 2021 Days Cash

Operating liquidity

Unrestricted cash and cash equivalents	653,494		962,857	
OPEB account cash, cash equivalents & investments	480,905		474,191	
PSEG Long Island Working Capital requirements	288,175		254,439	
Total operating liquidity	1,422,574	176 days	1,691,487	210 days

Available credit

General Revenue Notes - Revolving Credit Facility	198,000		198,000	
General Revenue Commercial Paper	560,000		375,000	
Total available credit	758,000		573,000	

Total cash, cash equivalents, investments & available credit	\$2,180,574	270 days	\$2,264,487	281 days
---	--------------------	-----------------	--------------------	-----------------

Restricted cash

FEMA - restricted	1,739		1,739	
UDSA	184,770		151,730	
Total restricted cash	\$186,509		\$153,469	

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

PSEG LONG ISLAND OPERATING EXPENSES – FEBRUARY 2021

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
PSEG Long Island Operating Expenses					
Transmission & Distribution	\$27,189	\$25,132	(\$2,057)	-8.2%	\$169,871
Customer Services	14,342	15,449	1,107	7.2%	99,403
Business Services	22,447	25,558	3,111	12.2%	157,295
Power Markets	1,592	2,163	572	26.4%	12,956
Energy Efficiency & Renewable Energy	14,417	15,266	849	5.6%	87,243
Utility 2.0	1,622	2,526	904	35.8%	24,208
Total PSEG Long Island Operating Expenses	\$81,608	\$86,094	\$4,486	5.2%	\$550,976

Note: Variance - favorable/(unfavorable)

FY Budget for Customer Services and Business Services expenses include \$11,452 of Utility 2.0 Savings

- Total expenses are under budget by \$4.5M primarily due to:
 - T&D is over budget by (\$2.1M) due to corrective maintenance emergent work related to cable repairs and COVID-19 costs.
 - Customer Service is under budget by \$1.1M due to vacancies and work shifted to capital projects to support accelerated AMI Project.
 - Business Services is under budget by \$3.1M due to timing of certain lease payments, lower contractor and lower claims.
 - Energy Efficiency is under budget by \$0.8M due to rebates paid; however, high rebate efficiency allowed YTD goals to be exceeded.
 - Utility 2.0 is under budget by \$0.9M due to project delays as a result of COVID-19 impacting Rate Modernization, Next Gen and Energy Concierge

PSEG LONG ISLAND MANAGED EXPENSES – FEBRUARY 2021

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
PSEG Long Island Managed Expenses					
Uncollectible Accounts	\$9,447	\$4,507	(\$4,940)	-109.6%	\$30,362
Storm Restoration	25,516	11,306	(14,211)	-125.7%	70,000
NYS Assessment	1,349	1,529	180	11.8%	10,937
Utility Depreciation	45,838	45,378	(460)	-1.0%	290,151
Pension & OPEB Expense	11,583	11,961	378	3.2%	72,610
PILOTs - Revenue-Based Taxes	5,620	5,130	(490)	-9.6%	36,694
PILOTs - Property-Based Taxes	50,467	50,460	(7)	0.0%	302,802
PSEGLI Managed - Misc	672	605	(66)	-10.9%	2,775
Total PSEG Long Island Managed Expenses	\$150,491	\$130,876	(\$19,615)	-15.0%	\$816,332
Other Income & Deductions	\$3,374	\$3,764	(\$389)	-10.3%	\$21,608

Note: Variance - favorable/(unfavorable)

- Uncollectible Accounts is over budget (\$4.9M) due to increased uncollectible reserves to reflect impacts of COVID-19.
- Storm Restoration is over budget by (\$14.2M) due to restoration costs related to one storms in January 2021 requiring mutual aid assistance. As a point of reference, through Feb 2020 PSEG Long Island responded to three storms, none of which included mutual aid assistance at the cost of \$4.9M.

PSEG LONG ISLAND REVENUE – FEBRUARY 2021

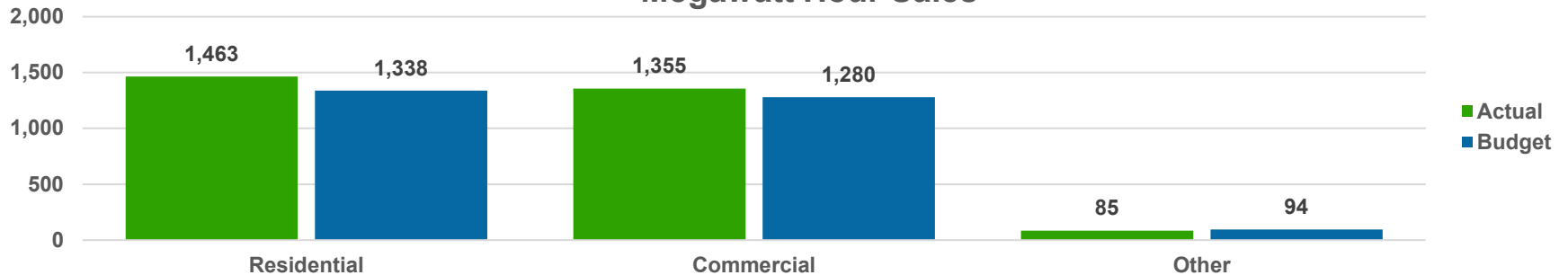
(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>Budget</u>
Revenues	\$593,523	\$513,775	\$79,748	15.5%	\$3,661,987
Power Supply Charge	\$327,930	\$270,476	(\$57,454)	-21.2%	\$1,776,149
Revenue Net of Power Supply Costs	\$265,593	\$243,298	\$22,295	9.2%	\$1,885,837

Note: Variance - favorable/(unfavorable)

- Revenue, net of PSCs, is \$22.3M higher than budget primarily driven by:
 - Delivery Service Adjustment (DSA) of \$15.4M resulting primarily from higher storm expense of \$14.2M Higher Bad Debt expense of \$4.9M resulting from increases in arrears related to moratorium of service disconnections \$4.9M

Megawatt Hour Sales



- Sales of electricity are higher than budget by 191GWh or 7.1% primarily due to positive COVID-19 impacts and reopening of businesses in territory.

CAPITAL EXPENDITURES – FEBRUARY 2021

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget	
Transmission and Distribution						
Regulatory Driven	\$132	\$1,593	\$1,461	91.7%	\$6,000	
Load Growth	28,852	38,069	9,217	24.2%	214,349	
Reliability	27,638	36,502	8,864	24.3%	196,212	
Storm Hardening	12,846	13,146	300	2.3%	70,000	
Economic, Salvage, Tools, Equipment & Other	(2,675)	8,435	11,110	131.7%	27,867	
Total Transmission and Distribution Projects	\$66,793	\$97,745	\$30,952	31.7%	\$514,429	• T&D is under budget by \$30.9M primarily driven by timing of scheduled work accelerated from 2021 into 2020 coupled with the timing of LIRR reimbursements
Other PSEG Long Island Capital Expenditures						
Information Technology Projects	10,702	2,910	(7,792)	-267.8%	49,647	
Customer Operations	1,407	2,836	1,430	50.4%	17,282	• IT is over budget (\$7.8M) due to Isaias storm remediation projects
Other General Plant Projects	820	895	75	8.3%	11,517	
Fleet	-	-	-	0.0%	9,719	• Customer Operations is under budget by \$1.4M due to focus being shifted to AMI deployment and timing of invoices
Utility 2.0	11,235	15,047	3,812	25.3%	95,739	
Total Expenses	\$24,165	\$21,689	(\$2,476)	-11.4%	\$183,904	• Utility 2.0 is under budget by \$3.8M primarily due to the Grid Storage RFP bids for energy storage came in higher than planned
Total PSEG Long Island Capital Expenditures (excl. FEMA)	\$90,958	\$119,434	\$28,476	23.8%	\$698,332	
FEMA	4,713	5,917	1,205	20.4%	24,414	
Capital Storm	1,074	745	(329)	-44.2%	4,468	
Management Fee	5,050	5,168	118	2.3%	31,007	• FEMA is under budget \$1.2M due to delays with IP Repeater Construction
Total PSEG Long Island Capital Expenditures	\$101,794	\$131,264	\$29,470	22.5%	\$758,222	
Nine Mile Point 2	\$457	\$1,148	\$691	60.2%	\$6,910	
LIPA Capital	\$4,550	\$1,083	(\$3,466)	-320.0%	\$6,500	

Note: Variance - favorable/(unfavorable)

PSEG LONG ISLAND MAJOR CAPITAL EXPENDITURES – OVER \$25M (TOTAL PROJECT COST) – FEBRUARY 2021

Description	Original Total Project Cost (\$M)**		Total Project Actuals Through 2/28/21 (\$M)	Current Working Estimate* (\$M)	Current Estimated Completion Date*
	Cost Estimate	Date of Cost Estimate			
Two Way Radio System Replacement	\$42.1	2017	\$41.1	\$47.7	Dec-20***
Belmont New Substation	\$51.3	2017	\$22.5	\$36.1	Dec-20***
Hempstead: New Substation	\$33.2	2017	\$35.3	\$35.3	Dec-20***
Round Swamp Substation	\$20.5	2018	\$4.7	\$29.2	Jun-22
Ruland Rd to Plainview: Transmission	\$46.8	2017	\$16.0	\$53.0	Dec-21
East Garden City to Valley Stream: Transmission	\$176.6	2017	\$95.8	\$106.3	Dec-20***
Kings Highway: New Substation	\$54.0	2017	\$51.0	\$55.1	Jul-20***
Bridgehampton to Buell: Transmission	\$46.1	2017	\$2.9	\$45.5	Jun-25
Riverhead to Canal: Transmission	\$191.5	2017	\$54.9	\$82.5	Jun-21
Lindbergh (Nassau Hub): New Substation	\$51.0	2017	\$43.0	\$48.1	Jan-21***
Navy Road New Substation	\$33.5	2017	\$23.0	\$31.7	Dec-23
Fire Island Pines New Circuit to Ocean Beach	\$51.1	2017	\$2.0	\$50.8	Jun-22
Far Rockaway 33-309 Reconductoring	\$31.2	2020	\$0.6	\$31.2	Jun-22
East Garden City: Switchgear replacement	\$28.6	2020	\$0.0	\$28.6	Dec-23
Brooklyn Ave (Massapequa) New Substation	\$22.7	2017	\$2.9	\$33.0	Jun-23
Transmission Operations Control Room Facility Replacement	\$84.0	2018	\$0.0	\$78.2	Dec-24
Substation Security Expansion Project	\$52.9	2017	\$14.3	\$48.3	Dec-24
Syosset to Shore Rd.: Transmission	\$268.0	2019	\$0.2	\$268.0	Dec-26
Southampton Install new 138kV cable to Deerfield	\$115.8	2020	\$0.0	\$115.8	Jun-27
Total	\$1,400.9		\$410.4	\$1,224.4	

*The Current Working Estimate and Completion Dates will be updated ending June 30 and November 30.

** Revised estimate based on PSEG LI new estimating process.

*** Projects are completed and in-service