



# June 2022 Financial Results

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F&A Committee – July 2022

# LIPA CONSOLIDATED RESULTS – JUNE 2022

<i>(\$ in thousands)</i>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
<b>Revenues</b>	<b>\$1,885,759</b>	<b>\$1,728,635</b>	<b>\$157,124</b>	<b>9.1%</b>	<b>\$3,850,840</b>
Power Supply Charge	1,044,871	869,219	(175,652)	-20.2%	1,879,216
<b>Revenue Net of Power Supply Charge</b>	<b>\$840,888</b>	<b>\$859,416</b>	<b>(\$18,528)</b>	<b>-2.2%</b>	<b>\$1,971,624</b>
<b>PSEG Long Island Operating and Managed Expenses</b>					
PSEG Long Island Operating Expenses	279,763	296,693	16,930	5.7%	609,547
PSEG Long Island Managed Expenses	62,985	88,767	25,782	29.0%	182,088
Utility Depreciation	140,801	139,161	(1,641)	-1.2%	289,157
PILOTs	169,379	169,899	520	0.3%	344,478
LIPA Operating Expenses	37,457	42,450	4,993	11.8%	91,874
LIPA Depreciation and Amortization	69,116	69,100	(16)	0.0%	138,199
Interest Expense	170,126	171,020	894	0.5%	343,990
<b>Total Expenses</b>	<b>\$929,627</b>	<b>\$977,089</b>	<b>\$47,462</b>	<b>4.9%</b>	<b>\$1,999,334</b>
Other Income and Deductions	24,589	19,399	5,190	26.8%	46,370
Grant Income	20,129	20,462	(333)	-1.6%	40,924
<b>Total Non-Operating Revenue</b>	<b>\$44,718</b>	<b>\$39,861</b>	<b>\$4,857</b>	<b>12.2%</b>	<b>\$87,294</b>
<b>Change in Net Position</b>	<b>(\$44,021)</b>	<b>(\$77,811)</b>	<b>\$33,791</b>	<b>43.4%</b>	<b>\$59,583</b>

Note: Variance - favorable/(unfavorable)

# LIPA MANAGED EXPENSES & INCOME – JUNE 2022

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
<b>LIPA Expenses</b>					
LIPA Operating Expenses	\$37,457	\$42,450	\$4,993	11.8%	\$91,874
LIPA Depreciation and Amortization	56,609	56,593	(16)	0.1%	113,185
LIPA Deferred Amortized Expenses	12,507	12,507	-	0.0%	25,014
Interest Expense, other Interest Costs and Interest Amortizations	170,126	171,020	894	0.5%	343,990
<b>Total Expenses</b>	<b>\$276,698</b>	<b>\$282,569</b>	<b>\$5,870</b>	<b>2.1%</b>	<b>\$574,064</b>
Other Income and Deductions	12,956	9,295	3,661	39.4%	26,897
Grant Income	20,129	20,462	(333)	-1.6%	40,924
<b>Total Income</b>	<b>\$33,085</b>	<b>\$29,757</b>	<b>\$3,328</b>	<b>11.2%</b>	<b>\$67,821</b>
<b>LIPA Capital</b>	<b>\$1,687</b>	<b>\$1,975</b>	<b>\$288</b>	<b>14.6%</b>	<b>\$11,850</b>

Note: Variance - favorable/(unfavorable)

- LIPA operating expense is under budget by \$5.0M due to the timing of consulting services and lower legal settlements than reserved offset by the unbudgeted higher inflation factor on the management fee.
- Other income and deductions is favorable against budget by \$2.0M primarily due to gains realized on the OPEB account and the NMP2 Trust account partially offset by unrealized losses in the Rate Stabilization fund.

# LIPA LIQUIDITY POSITION – JUNE 2022

<i>(\$ in thousands)</i>	June 30, 2022	Days Cash	May 31, 2022	Days Cash
<b>Operating liquidity</b>				
Unrestricted cash and cash equivalents	\$ 506,491		\$ 650,439	
OPEB account cash, cash equivalents & investments	501,321		524,867	
PSEG Long Island Working Capital requirements	289,783		290,428	
<b>Total operating liquidity</b>	<b>1,297,595</b>	<b>152</b>	<b>1,465,734</b>	<b>172</b>
<b>Available credit</b>				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Commercial Paper	580,000		726,000	
<b>Total available credit</b>	<b>780,000</b>		<b>926,000</b>	
<b>Total cash, cash equivalents, investments &amp; available credit</b>	<b>\$ 2,077,595</b>	<b>244</b>	<b>\$ 2,391,734</b>	<b>281</b>
<b>Restricted cash</b>				
Clean Energy Compliance Fund	16,622		15,199	
FEMA - restricted	-		-	
UDSA	91,641		247,844	
<b>Total restricted cash</b>	<b>\$ 108,263</b>		<b>\$ 263,043</b>	

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

# PSEG LONG ISLAND OPERATING EXPENSES – JUNE 2022

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
<b>PSEG Long Island Operating Expenses</b>					
Transmission & Distribution	\$91,430	\$87,487	(\$3,943)	-4.5%	\$176,076
Construction & Operations Services	17,646	19,088	1,442	7.6%	39,115
Emergency Preparedness	4,283	4,616	333	7.2%	9,156
Customer Services	48,176	51,682	3,507	6.8%	104,362
Business Services	65,755	69,810	4,056	5.8%	141,178
Power System Management	8,234	9,712	1,479	15.2%	19,264
Energy Efficiency & Renewable Energy	33,350	43,106	9,756	22.6%	92,833
Utility 2.0	10,889	11,190	301	2.7%	27,563
<b>Total PSEG Long Island Operating Expenses</b>	<b>\$279,763</b>	<b>\$296,693</b>	<b>\$16,930</b>	<b>5.7%</b>	<b>\$609,547</b>

Note: Variance - favorable/(unfavorable)

- Total expenses are under budget by \$16.9M primarily due to:
  - T&D is over budget by (\$3.9M) due to telecommunication broker fee, vegetation management program, higher weather support, offset by lower training costs
  - Construction & Operations Services is under budget by \$1.4M due to lower labor and fringes driven by lower headcount and higher allocation of work to capital
  - Customer Service is under budget by \$3.5M due to open vacancies and contract delays
  - Business Services is under budget by \$4.1M due to open vacancies in IT and Strategic Planning & Analytics, coupled with lower contractor spend and legal support costs
  - Energy Efficiency is under budget by \$9.8M primarily due to the Commercial Efficiency Program which has achieved energy savings 12% above goal while holding costs to 36% below budget

# PSEG LONG ISLAND MANAGED EXPENSES – JUNE 2022

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
<b>PSEG Long Island Managed Expenses</b>					
Uncollectible Accounts	\$12,874	\$12,384	(\$490)	-4.0%	\$28,760
Storm Restoration	11,586	38,590	27,003	70.0%	76,276
NYS Assessment	6,164	5,250	(914)	-17.4%	11,719
Utility Depreciation	140,801	139,161	(1,641)	-1.2%	289,157
Pension & OPEB Expense	29,916	30,498	582	1.9%	61,400
PILOTs - Revenue-Based Taxes	18,174	17,935	(239)	-1.3%	40,549
PILOTs - Property-Based Taxes	151,205	151,964	759	0.5%	303,929
PSEGLI Managed - Misc	2,446	2,046	(399)	-19.5%	3,933
<b>Total PSEG Long Island Managed Expenses</b>	<b>\$373,166</b>	<b>\$397,827</b>	<b>\$24,661</b>	<b>6.2%</b>	<b>\$815,723</b>
<b>Other Income &amp; Deductions</b>	<b>\$11,532</b>	<b>\$10,061</b>	<b>\$1,471</b>	<b>14.6%</b>	<b>\$19,387</b>

Note: Variance - favorable/(unfavorable)

- Storm Restoration is under budget by \$27.0M primarily due to fewer actual storms and related mutual aid assistance than budgeted. Budget included 7 storms of which 3 would need mutual aid assistance vs. an actual of 5 storms with only 1 requiring mutual aid assistance.

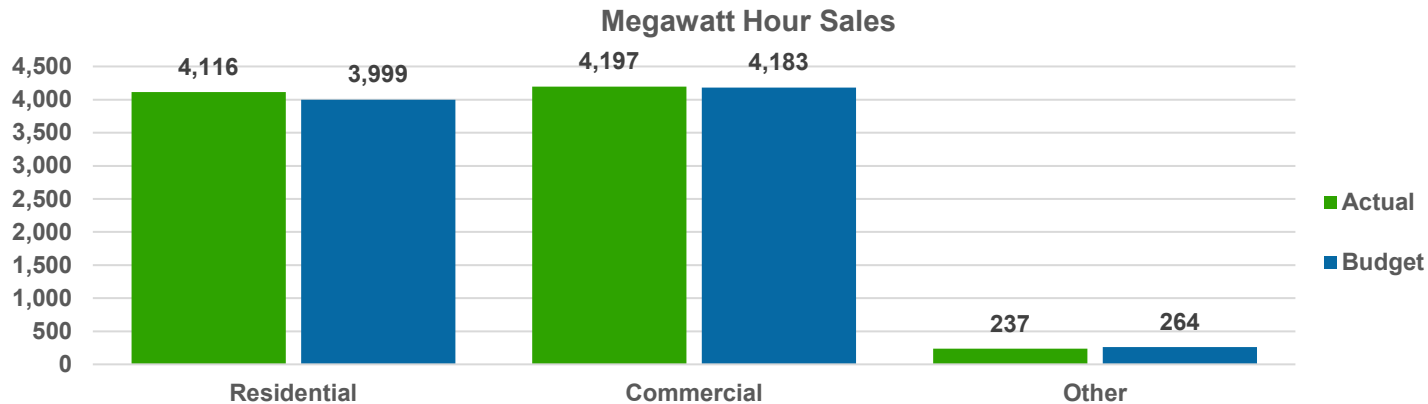
# PSEG LONG ISLAND REVENUE – JUNE 2022

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>Budget</u>
<b>Revenues</b>	<b>\$1,885,759</b>	<b>\$1,728,635</b>	<b>\$157,124</b>	<b>9.1%</b>	<b>\$3,850,840</b>
<b>Power Supply Charge</b>	<b>\$1,044,871</b>	<b>\$869,219</b>	<b>(\$175,652)</b>	<b>-20.2%</b>	<b>\$1,879,216</b>
<b>Revenue Net of Power Supply Costs</b>	<b>\$840,888</b>	<b>\$859,416</b>	<b>(\$18,528)</b>	<b>-2.2%</b>	<b>\$1,971,624</b>

Note: Variance - favorable/(unfavorable)

- Revenue, net of PSCs, is (\$18.5M) lower than budget primarily driven by:
  - Delivery Service Adjustment (DSA) of (\$27.4M) primarily driven by lower Storm expenses of (\$27.0M)
  - Offset by higher miscellaneous revenues of \$7.7M due to higher than budgeted collection of late payment charges



- Sales of electricity are higher than budget by 104 GWh or 1.2% due to higher sales in residential sector partially offset by lower LIRR sales

# CAPITAL EXPENDITURES – JUNE 2022

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
<b>Transmission and Distribution</b>					
Load Growth	83,942	85,360	1,417	1.7%	178,268
Reliability	132,025	128,490	(3,535)	-2.8%	252,069
Storm Hardening	33,099	39,501	6,402	16.2%	70,000
Economic, Salvage, Tools, Equipment & Other	17,275	24,806	7,530	30.4%	60,229
<b>Total Transmission and Distribution Projects</b>	<b>\$266,339</b>	<b>\$278,156</b>	<b>\$11,817</b>	<b>4.2%</b>	<b>\$560,566</b>
<b>Other PSEG Long Island Capital Expenditures</b>					
Information Technology Projects	16,109	31,097	14,988	48.2%	81,701
Customer Operations	3,727	5,549	1,821	32.8%	10,683
Other General Plant Projects	644	352	(292)	-82.9%	3,072
Fleet	3,194	6,515	3,321	51.0%	15,974
Utility 2.0	9,243	17,975	8,732	48.6%	40,013
<b>Total Expenses</b>	<b>\$32,917</b>	<b>\$61,487</b>	<b>\$28,570</b>	<b>46.5%</b>	<b>\$151,444</b>
<b>Total PSEG Long Island Capital Expenditures (excl. FEMA)</b>	<b>\$299,257</b>	<b>\$339,643</b>	<b>\$40,386</b>	<b>11.9%</b>	<b>\$712,010</b>
FEMA	5,335	1,353	(3,982)	-294.3%	2,690
Capital Storm	801	2,378	1,576	66.3%	4,755
Management Fee	16,277	14,248	(2,029)	-14.2%	28,496
Pending Project Authorization Funds	-	1,666	1,666	100.0%	-
<b>Total PSEG Long Island Capital Expenditures</b>	<b>\$321,670</b>	<b>\$359,288</b>	<b>\$37,619</b>	<b>10.5%</b>	<b>\$747,951</b>
<b>Nine Mile Point 2</b>	<b>\$24,826</b>	<b>\$24,910</b>	<b>\$84</b>	<b>0.3%</b>	<b>\$27,267</b>
<b>LIPA Capital</b>	<b>\$1,687</b>	<b>\$1,975</b>	<b>\$288</b>	<b>14.6%</b>	<b>\$11,850</b>

- T&D is under budget by \$11.8M driven by cost savings, construction and equipment delivery delays for Round Swamp New Substation, Brightwaters New Transformer & Switchgear, New 69kV Cable to Flowerfield, and Glenwood Substation Structural Modification, coupled with lower Storm Hardening due to contractor resource constraints due to mutual aid assistance required in other service territories offset by higher reliability spend due to Transmission Line Failure and Public Works.
- IT is under budget \$15.0M due to timing of scheduled work and open vacancies.
- Fleet is under budget \$3.3M due to continued supply chain issues.
- Utility 2.0 is under budget by \$8.7M due to pending energy storage procurement for Grid Storage and T&D infrastructure not requiring reinforcement at new EV charging stations for EV Make Ready coupled with delays with Customer Experience and DER Visibility.
- FEMA is over budget (\$4.0M) due to timing of construction for substation Inside Plant (IP) Repeaters and higher program management costs for additional circuits transferred from Power On.

Note: Variance - favorable/(unfavorable)



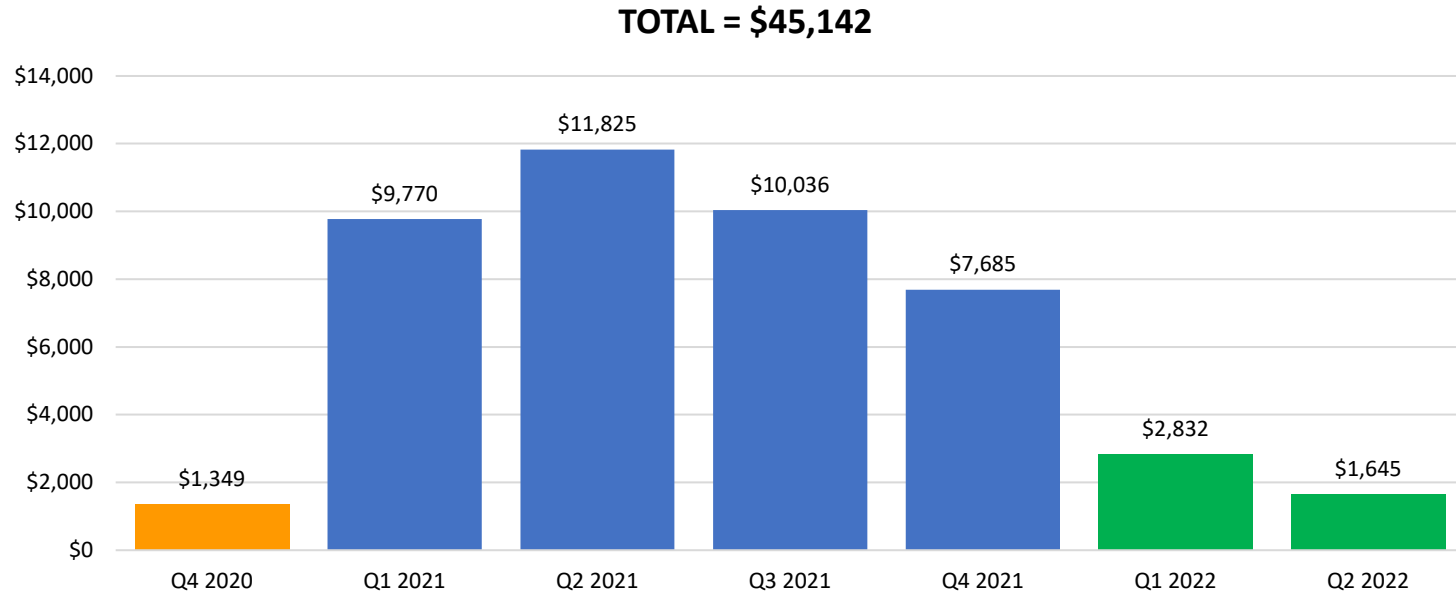
# PSEG LONG ISLAND MAJOR CAPITAL EXPENDITURES – OVER \$25M (TOTAL PROJECT COST) – JUNE 2022

Description	Original Total Project Cost (\$M)**		Total Project Actuals Through 6/30/22 (\$M)	Current Working Estimate* (\$M)	Current Estimated Completion Date*
	Cost Estimate	Date of Cost Estimate			
Ruland Rd to Plainview: Transmission	\$46.8	2017	\$33.7	\$34.2	Jun-22***
Round Swamp Substation	\$20.5	2018	\$20.3	\$27.6	Jun-22***
Arverne - New 33kV Circuit to Far Rockaway Substation	\$31.2	2020	\$18.7	\$25.4	Oct-22
Flowerfield - Terryville: Install new 69 kV cable to Flowerfield	\$52.5	2022	\$2.9	\$52.5	Dec-23
Rockaway Beach - New 33kV Circuit to Arverne Substation	\$36.9	2020	\$6.9	\$34.4	Jun-23
Brooklyn Ave (Massapequa) New Substation	\$22.7	2017	\$7.6	\$33.0	Dec-23
Navy Road New Substation	\$33.5	2017	\$29.6	\$30.8	Oct-23
East Garden City: Switchgear replacement	\$49.0	2021	\$3.0	\$49.0	Jun-24
Fire Island Pines New Circuit to Ocean Beach	\$51.1	2017	\$2.4	\$46.1	Jun-24
Belmont: Convert substation from 33 kV to 69 kV	\$131.3	2021	\$0.1	\$131.3	Jun-25
North Bellmore Install 33 MVA bank, switchgear, and feeders	\$28.8	2021	\$0.0	\$34.9	Jun-25
Smithtown: Storm Hardening	\$34.1	2021	\$0.0	\$34.1	Dec-26
Transmission Operations Control Room Facility Replacement	\$84.0	2018	\$0.0	\$78.2	Mar-26
Substation Security Expansion Project	\$52.9	2017	\$17.2	\$43.8	Dec-23
Bridgehampton to Buell: Transmission	\$46.1	2017	\$4.0	\$45.5	Jun-26
Elwood: Install new distribution bank and switchgear	\$32.3	2021	\$0.0	\$32.3	Jun-37
North Bellport: Eastport 23kV conversion	\$26.4	2021	\$0.0	\$26.4	May-26
Southampton Install new 138kV cable to Deerfield	\$142.4	2021	\$0.2	\$142.4	Jun-28
Syosset to Shore Rd.: Transmission	\$268.0	2019	\$0.2	\$239.0	Jun-32
<b>Total</b>	<b>\$1,190.6</b>		<b>\$146.5</b>	<b>\$1,141.0</b>	

\*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.

# OMS – JUNE 2022



*(\$ in thousands)*

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	<b>TOTAL</b>
<b>TOTAL</b>	\$1,349	\$9,770	\$11,825	\$10,036	\$7,685	\$2,832	\$1,645	<b>\$45,142</b>