

Utility Debt Securitization Authority  
(A Component Unit of the Long Island Power Authority)  
2022 Approved and 2023 Projected Operating and Capital Budgets

### **Utility Debt Securitization Authority**

The LIPA Reform Act, as amended, created the Utility Debt Securitization Authority (UDSA) to issue restructuring bonds in an aggregate amount not to exceed \$8.0 billion to refinance LIPA's debt at a lower cost and fund storm hardening and modernizing.

LIPA's Board adopted Financing Order No. 1 on October 3, 2013, Financing Orders No. 2, No. 3 and No. 4 on June 26, 2015 and Financing Order No. 5 on September 29, 2017, each authorizing the UDSA to issue Restructuring Bonds. Each financing order authorized Restructuring Bonds secured by a separate restructuring charge created pursuant to that financing order. A total of \$4.5 billion of UDSA Restructuring Bonds have been issued.

The operations of the UDSA are presented as a proprietary fund following the accrual basis of accounting in order to recognize the flow of economic resources. Revenue which is based on the UDSA's Restructuring Charge is set at an amount sufficient to recover the debt service payments and other cash operating expenses that the UDSA incurs in any given year.

The UDSA is considered a blended component unit of LIPA. The results of operations are consolidated with LIPA for financial reporting purposes.

Utility Debt Securitization Authority  
(Thousands of Dollars)

Description	2020	2021		2022		2023	
	Actual	Approved	Projected	Approved	Change from Prior Year	Projected	Change from Prior Year
<b>Revenues</b>	\$ 350,684	\$ 349,589	\$ 365,046	\$ 344,993	\$ (4,596)	\$ 409,445	\$ 64,451
<b>Operating Expenses</b>							
<b>Uncollectible Accounts</b>	1,817	1,790	410	2,801	1,011	3,153	352
<b>General and Administrative Expense</b>							
Ongoing Servicer Fee	2,250	2,250	2,208	2,250	-	2,250	-
Administration Fees	500	500	542	500	-	500	-
Bond Administration Fees	252	390	188	152	(238)	152	-
Directors and Officers Insurance	272	362	285	330	(32)	347	17
Accounting, Legal & Misc. Fees	89	155	155	155	-	155	-
<b>Total General and Administrative Expense</b>	<b>3,363</b>	<b>3,657</b>	<b>3,378</b>	<b>3,388</b>	<b>(269)</b>	<b>3,404</b>	<b>17</b>
<b>Amortization of Restructuring Property</b>	<b>165,980</b>	<b>221,742</b>	<b>234,806</b>	<b>223,082</b>	<b>1,341</b>	<b>263,387</b>	<b>40,305</b>
Interest Expense	192,803	187,619	187,619	179,694	(7,925)	170,835	(8,859)
Amortization of Premium	(45,706)	(45,119)	(45,119)	(42,050)	3,069	(38,116)	3,934
Amortization of Deferred Debt Issuance Costs	2,175	2,039	2,036	1,886	(153)	1,740	(145)
<b>Total Interest Expense</b>	<b>149,272</b>	<b>144,539</b>	<b>144,536</b>	<b>139,530</b>	<b>(5,009)</b>	<b>134,459</b>	<b>(5,071)</b>
<b>Reserve Fund Earnings</b>	<b>775</b>	<b>1,441</b>	<b>37</b>	<b>38</b>	<b>(1,404)</b>	<b>38</b>	<b>-</b>
<b>Change in Net Position</b>	<b>\$ 31,027</b>	<b>\$ (20,697)</b>	<b>\$ (18,047)</b>	<b>\$ (23,770)</b>	<b>\$ (3,073)</b>	<b>\$ 5,079</b>	<b>\$ 28,848</b>