Q1 | 2023

LIPA
Long Island Power Authority

QUARTERLY

UNAUDITED **FINANCIAL REPORT**

FOR THE THREE-MONTH
PERIOD ENDED MARCH 31, 2023

LONG ISLAND POWER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)

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The Long Island Power Authority (LIPA) is a component unit of the State of New York (State). LIPA became the retail supplier of electric service in the Counties of Nassau and Suffolk (with certain limited exceptions) and a portion of Queens County known as the Rockaways (Service Area) on May 28, 1998 by acquiring the transmission and distribution (T&D) system of the Long Island Lighting Company (LILCO) as a wholly owned subsidiary of LIPA. The acquisition included an undivided 18% interest in the Nine Mile Point Unit 2 (NMP2) generating facility located in upstate New York. LIPA provides electric delivery service in the Service Area, which includes approximately 1.2 million customers. The population of the Service Area is approximately 2.9 million.

LIPA was established as a corporate municipal instrumentality of the State, constituting a political subdivision, created by Chapter 517 of the Laws of 1986 (the LIPA Act). As such, it is a component unit of the State and is included in the State's annual financial statements.

LIPA is governed by a local Board of Trustees (Board) consisting of nine Trustees, five of whom are appointed by the Governor, two by the Temporary President of the State Senate, and two by the Speaker of the State Assembly. The Board supervises, regulates, and sets policy and rates for LIPA. In accordance with the LIPA Reform Act, codified as Chapter 173, Laws of New York (Reform Act) in 2013, LIPA is required to submit any proposed rate increase to the New York State Department of Public Service (DPS) for review if it would increase the rates and charges by an amount that would increase LIPA's annual revenues by more than 2.5%; however, LIPA's Board retains final rate-setting power.

The Reform Act and subsequent amendments also created the Securitization Law, which established LIPA's component unit, the Utility Debt Securitization Authority (UDSA). The Securitization Law's purpose is to provide statutory authority for the issuance of restructuring bonds in an initial par amount of up to $8 billion (inclusive of bonds already issued) to provide net present value debt service savings and fund T&D system resiliency investments. LIPA and UDSA retired $852 million of its outstanding indebtedness in 2022, bringing total UDSA issuance to $5.4 billion, which provided total net present value debt service savings for LIPA's customers of $534 million. UDSA is considered a blended component unit. The activities of UDSA operations are consolidated with the operations of LIPA for financial reporting purposes.

LIPA contracts to provide the majority of services necessary to deliver electric service in the Service Area. Since 2014, LIPA has contracted with PSEG Long Island LLC (PSEG Long Island), a wholly owned subsidiary of Public Service Enterprise Group (PSEG), for management services, and LIPA provides service to customers under the PSEG Long Island brand name. PSEG Long Island provides up to 19 senior managers to manage day-to-day T&D system operating functions as well as certain administrative support functions. ServCo, a subsidiary service company of PSEG Long Island, provides 14 of the senior managers at the director level or higher (and currently five of the 19 PSEG Long Island senior manager positions) and substantially all the operations services under the OSA. ServCo consists of approximately 2,500 employees, including the legacy LILCO and National Grid employees that transitioned employment to ServCo in 2014. The salary and benefit costs of ServCo employees are a Pass-Through Expenditures paid by the Authority. Upon the termination of the OSA, PSEG Long Island will transfer all Membership Interests in ServCo to LIPA or, at LIPA's direction, its designee, at no cost.

PSEG Long Island acts as agent for LIPA in performing many of its obligations and in return receives (a) reimbursement for pass-through operating expenditures, (b) a fixed management fee, and (c) a variable fee contingent on meeting certain performance metrics.

In April 2022, LIPA and PSEG Long Island began operating under a new, reformed contract, the Second Amended and Restated Operations Services Agreement (Second A&R OSA), which was approved by LIPA's Board on December 15, 2021, approved by the New York State Attorney General on January 6, 2022, and approved by the State Comptroller on April 1, 2022. The Second A&R OSA will expire on December 31, 2025.

LIPA also has a contract with PSEG Energy Resources and Trade LLC (PSEG ER&T) to provide services related to fuel and power supply management and certain commodity activities. LIPA also maintains power purchase agreements with various third-party power generators.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

LIPA is engaged in business type activities and follows financial reporting for enterprise funds. LIPA's unaudited Basic Financial Statements consists of Statements of Net Position, the Statements of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows. These financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

LIPA publishes interim financial results on a quarterly basis with a fiscal year ending December 31. The interim basic financial statements and related Management's Discussion and Analysis do not include all the information and notes required under GAAP for annual basic financial statements. Therefore, the Management's Discussion and Analysis of LIPA's three-month period ended March 31, 2023, compared to 2022 should be read in conjunction with the annual audited basic financial statements, which may be found on LIPA's website at www.lipower.org.

LIPA's reporting entity is comprised of itself and (i) its operating subsidiary LILCO and (ii) the UDSA. All significant transactions between LIPA, LILCO, and UDSA have been eliminated.

CONTACTING THE LONG ISLAND POWER AUTHORITY

This financial report is designed to provide LIPA's bondholders, customers, and other interested parties with a general overview of LIPA's finances and to demonstrate its accountability for the funds it receives. If you have any questions about this report or need additional information, contact LIPA at 333 Earle Ovington Blvd., Suite 403, Uniondale, New York 11553, or visit LIPA's website at www.lipower.org.

LONG ISLAND POWER AUTHORITY
(A COMPONENT OF THE STATE OF NEW YORK)

STATEMENTS OF NET POSITION
MARCH 31, 2023 AND DECEMBER 31, 2022
(AMOUNTS IN THOUSANDS)

Assets and Deferred Outflows of Resources		**2023 (unaudited)**	**2022 (audited)**
Current assets:			
Cash and cash equivalents	$	163,913	609,960
Restricted cash — working capital requirements		144,026	120,724
Restricted cash — LIPA		314,478	—
Restricted cash — UDSA		255,080	153,150
Investments		754,296	726,273
Restricted Investments — working capital requirements		128,648	127,136
Counterparty collateral — posted by LIPA		36,771	—
Accounts receivable (less allowance for doubtful accounts of $33,288 and $56,324 at March 31, 2023 and December 31, 2022, respectively)		446,674	654,786
Other receivables		54,742	52,755
Fuel inventory		148,934	135,846
Material and supplies inventory		93,306	87,346
Commodity derivative instruments		86	97,435
Regulatory assets to be recovered within one year		186,297	156,314
Prepayments and other current assets		119,676	61,705
Total current assets		**2,846,927**	**2,983,430**
Noncurrent assets:			
Utility plant and property and equipment, net		10,449,297	10,453,794
Nuclear decommissioning trust fund (NDTF)		163,621	155,368
Other long-term receivables		143,558	189,997
Unrealized charges		4,180	4,833
Financial derivative instruments		22,477	25,457
Commodity derivative instruments		30,540	66,006
Regulatory assets for future recovery		554,013	570,427
Acquisition adjustment (net of accumulated amortization)		404,669	432,513
Total noncurrent assets		**11,772,355**	**11,898,395**
Total assets		**14,619,282**	**14,881,825**
Deferred outflows of resources:			
Deferred defeasance costs on debt refunding		135,286	138,391
OPEB expense		3,511	3,511
Pension expense		2,509	2,509
Accumulated decrease in fair value of NDTF		3,308	10,887
Total deferred outflows of resources		**144,614**	**155,298**
Total assets and deferred outflows of resources	$	**14,763,896**	**15,037,123**

LONG ISLAND POWER AUTHORITY
(A COMPONENT OF THE STATE OF NEW YORK)

STATEMENTS OF NET POSITION
MARCH 31, 2023 AND DECEMBER 31, 2022
(AMOUNTS IN THOUSANDS)

Liabilities, Deferred Inflows of Resources and Net Position	**2023 (unaudited)**	**2022 (audited)**
Current liabilities:		
Short-term debt	$ 286,000	131,000
Current maturities of long-term debt	32,235	30,115
Current maturities of UDSA debt	264,660	264,660
Current portion of lease liabilities	354,177	353,069
Counterparty collateral — held by LIPA	—	134,343
Accounts payable and accrued expenses	365,697	444,205
Regulatory liabilities payable in one year	91,353	186,097
Accrued payments in lieu of taxes	7,625	18,021
Accrued interest	74,924	59,556
Customer Deposits	35,439	34,209
Total current liabilities	**1,512,110**	**1,655,275**
Noncurrent liabilities:		
Long-term debt, net	5,348,655	5,291,235
Long-term UDSA debt, net	3,860,974	3,872,915
Lease liabilities	1,674,933	1,766,186
Borrowings	29,386	30,464
Operations Services Agreement — employee retirement benefits	542,317	536,578
Financial derivative instruments	53,734	47,566
Regulatory liabilities for future payment	133,806	165,359
Asset retirement obligation	107,778	106,439
Long-term liabilities and unrealized credits	33,195	35,503
Claims and damages	177,781	186,014
Total noncurrent liabilities	**11,962,559**	**12,038,259**
Total liabilities	**13,474,669**	**13,693,534**
Deferred inflows of resources:		
Regulatory credits — grants	603,652	608,788
Lease revenue	4,781	3,161
OPEB expense	2,288	2,440
Pension expense	2,868	2,868
Accumulated increase in fair value of financial derivatives	20,316	25,457
Accumulated increase in fair value of OPEB dedicated account	30,921	3,543
Total deferred inflows of resources	**664,826**	**646,257**
Net position:		
Net investment in capital assets	286,196	362,168
Restricted	284,534	166,828
Unrestricted	53,671	168,336
Total net position	**624,401**	**697,332**
Total liabilities, deferred inflows of resources, and net position	**$ 14,763,896**	**15,037,123**

LONG ISLAND POWER AUTHORITY
(A COMPONENT OF THE STATE OF NEW YORK)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022
(AMOUNTS IN THOUSANDS) | (UNAUDITED)

		2023	2022
Operating revenues — electric sales, net of uncollectible accounts expense	**$**	729,114	897,814
Operating expenses:			
Operations — power supply charge		326,208	464,094
Operations — power supply charge — property taxes		26,394	55,577
Operations and maintenance		186,997	166,700
Storm restoration		2,301	9,574
General and administrative		11,288	8,869
Depreciation and amortization		106,021	103,338
Payments in lieu of taxes and assessments		87,634	87,466
Total operating expenses		**746,843**	**895,618**
Operating (loss) income		**(17,729)**	**2,196**
Nonoperating revenues and expenses:			
Other income, net:			
Investment income, net		13,887	4,974
Grant income		5,773	5,774
Other		1,187	2,030
Subtotal		**20,847**	**12,778**
Nuclear decommissioning trust fund income		674	2,454
Deferred grant income amortization		4,403	4,212
Carrying charges on regulatory assets		4,171	4,634
Subtotal		**9,248**	**11,300**
Total other income, net		**30,095**	**24,078**
Interest charges and (credits):			
Interest on debt		98,110	91,099
Other interest		4,204	8,032
Other interest amortizations		(17,017)	(14,256)
Total interest charges, net		**85,297**	**84,875**
Change in net position		**(72,931)**	**(58,601)**
Net position, beginning of year		**697,332**	**602,379**
Net position, end of period	**$**	**624,401**	**543,778**

LONG ISLAND POWER AUTHORITY
(A COMPONENT OF THE STATE OF NEW YORK)

STATEMENTS OF CASH FLOWS
THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022
(AMOUNTS IN THOUSANDS) | (UNAUDITED)

	2023	2022
Cash flows from operating activities:		
Operating revenues received	$ 1,053,275	841,586
Payments to suppliers and employees:		
Operations and maintenance	(223,847)	(194,423)
Operations — power supply charge	(416,789)	(276,430)
Operations — power supply charge — property tax related	(26,394)	(55,577)
Payments-in-lieu-of-taxes	(154,314)	(151,020)
Collateral on commodity derivative transactions, net	(171,114)	134,083
PSEG Long Island Pension funding	(4,600)	(7,500)
Net cash provided by operating activities	**56,217**	**290,719**
Cash flows from noncapital financing related activities:		
Earnings received on investment income	10,576	(3,081)
Sales and maturities of investment securities	10,889	83,617
Sale of restricted investment securities — working capital investments	—	7,573
Purchase of restricted investment securities — working capital investments	(1,512)	—
Purchase of investment securities — OPEB Account	(9,000)	(31,498)
Net cash provided by investment activities	**10,953**	**56,611**
Cash flows from noncapital financing related activities:		
Grant proceeds	58,879	—
Proceeds from credit facility draws and commercial paper program	235,000	360,000
Redemption of credit facility draws and commercial paper program	(80,000)	(263,000)
Interest paid - LIPA	(1,250)	(1,250)
Net cash provided by noncapital financing related activities	**212,629**	**95,750**
Cash flows from capital and related financing activities:		
Capital expenditures	(160,793)	(150,855)
Lease payments	(106,103)	(105,320)
Proceeds from the issuance of long-term debt	349,955	—
Payments for debt issuance costs	(516)	—
Other interest costs	(5,634)	(9,165)
Interest paid - LIPA	(77,040)	(71,464)
Payments to bond escrow agent to refinance bonds	(286,005)	—
Net cash used in capital and related financing activities	**(286,136)**	**(336,804)**
Net (decrease) increase in cash and cash equivalents	**(6,337)**	**106,276**
Cash and cash equivalents at beginning of year	**883,834**	**528,500**
Cash and cash equivalents at end of period	**$ 877,497**	**634,776**

LONG ISLAND POWER AUTHORITY
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STATEMENTS OF CASH FLOWS
THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022
(AMOUNTS IN THOUSANDS) | (UNAUDITED)

		2023	2022
Reconciliation to net cash provided by operating activities:			
Operating (loss) income	$	(17,729)	2,196
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation and amortization		106,021	103,338
Other post-employment benefits, non-cash expense		4,932	10,733
Nuclear fuel burned		2,800	1,705
Shoreham and VBA surcharges		9,632	10,906
Accretion of asset retirement obligation		64	1,153
Changes in operating assets and liabilities			
Accounts receivable, net of allowance for uncollectible accounts		252,564	95,421
Regulatory assets and liabilities		(155,752)	111,461
Fuel and material and supplies inventory		(19,048)	20,814
Accounts payable, accrued expenses, and other		(127,267)	(67,008)
Net cash provided by operating activities	**$**	**56,217**	**290,719**

OPERATIONAL UPDATES

FINANCING ACTIVITIES

On February 24, 2023, LIPA issued Electric System General Revenue Bonds, Series 2023A and Series 2023B totaling approximately $287 million and used the proceeds to repay existing long-term debt. Funds were used to pay approximately $92 million in principal and interest due on LIPA's outstanding Electric System Revenue Bonds, Series 2020C and approximately $195 million in principal and interest due on LIPA's outstanding Electric System Revenue Bonds, Series 2021C. Principal amounts due on Series 2020C and 2021C were excluded from short-term maturities due to the anticipated refunding.

On March 15, 2023, LIPA issued Electric System General Revenue Bonds, Series 2023C totaling approximately $63 million and used the proceeds to repay approximately $63 million in principal on LIPA's Electric System Revenue Bonds, Series 2015C due in early April 2023. As a result, as of March 31, 2023, LIPA has reported the $63 million of bond proceeds as restricted cash for the expected refunding.

NEW YORK STATE LEGISLATIVE COMMISSION ON THE FUTURE OF LIPA

The 2022 New York State budget enacted a Legislative Commission on the Future of LIPA (the Commission) to investigate and report to the State Legislature on establishing a public power model for the management and operations of LIPA.

LIPA has outsourced the day-to-day management of the electric grid since its purchase of the T&D system from LILCO in 1998. On April 17, 2023, the Commission approved a draft report for submission to the legislature, detailing its preliminary findings and plan for transitioning LIPA into a public power provider that both owns and operates the electric grid on Long Island and in the Rockaways.

The draft report lays out the operational, legal, and legislative steps necessary to achieve public power at the expiration of PSEG Long Island's contract on December 31, 2025. The New York State Comptroller will have the discretion to review the draft report and issue recommendations, with a final report expected to be published in May 2023. LIPA will continue to monitor developments relating to this Commission.

NEW YORK STATE CLIMATE LEADERSHIP AND COMMUNITY PROTECTION ACT (CLCPA)

The CLCPA, signed in 2019, requires the State to, among other things, achieve a zero-carbon electric grid by 2040 and reduce economy-wide greenhouse gas emissions 85% by 2050. In June 2021, LIPA launched an Integrated Resource Plan (IRP) to develop a path for compliance with the CLCPA. The IRP, scheduled for completion in 2023, will develop plans for electric power resources to meet the State's climate objectives reliably and affordably.

The IRP will identify the key activities and investments that LIPA will need to undertake to meet State objectives and those set by its Board. Objectives include supporting and meeting CLCPA goals; retiring fossil-fueled generation; integrating substantial amounts of renewable energy resources; identifying the impacts of beneficial electrification; and increasing the availability of clean energy technologies in disadvantaged communities.

POWER PLANTS UNDER CONTRACT

LIPA contracts for approximately 3,700 megawatts (MW) of capacity (and related energy) from National Grid's legacy fossil-fueled generating plants located on Long Island in an Amended and Restated Power Supply Agreement (A&R PSA) that expires in 2028. LIPA is reviewing certain of these power plants for retirement on or before the expiration of the A&R PSA in 2028, facilitated by the addition of new offshore wind and storage resources.

Department of Environmental Conservation (DEC) regulations for nitrogen oxide (NOx) air emissions from peaking plants take effect May 1, 2023. National Grid, as owner of certain plants, in consultation with LIPA, identified a strategy for compliance for units under contract to LIPA. As a result, LIPA and National Grid plan to retire five peaking units where retrofits are not cost-effective: two units at Glenwood Landing (15 and 55 MW); one unit at West Babylon (52 MW); and two units at Shoreham (53 and 19 MW). The retirements are expected to take effect in May 2025. In the meantime, the units will operate in compliance with the regulations that are applicable between 2023 and 2025. All remaining National Grid peaking units under contract to LIPA have been in compliance with the DEC NOx regulations.

In April 2021, PSEG Long Island issued a Request for Proposals to solicit bids for the development of bulk energy storage projects to be located on Long Island. The procurement will help LIPA meet its load ratio share of the State's energy storage deployment goal established in the CLCPA, which amounts to approximately 375 MW by 2030. Five projects totaling 329 MW have been selected for competitive negotiation of build-own-transfer contracts, with the projects reverting to LIPA after seven years of operation.

CERTAIN LITIGATION RELATED TO PAYMENTS IN LIEU OF TAXES

By statute, LIPA makes payments in lieu of taxes PILOTs for real property it acquired from LILCO. Beginning in calendar year 2015, the LIPA Reform Act capped LIPA's PILOT payments to no more than 2% higher than the prior calendar year. In 2017, LIPA received notices from Suffolk County claiming to enforce liens against certain LIPA properties for alleged unpaid real property taxes. LIPA has paid the PILOT amounts it is authorized to pay by law. LIPA estimated the potential exposure with penalties and interest to be approximately $120 million through 2022, plus a potential addition of up to $30 million per year in the event of an adverse result on appeal. As a regulated entity, LIPA obtained regulatory approval from its Board to defer the recovery of these costs from its customers until the conclusion of the appeal process. LIPA does not believe this litigation will have a material adverse impact on the business or the affairs of LIPA or its subsidiary, LILCO.

COVID-19

In response to the COVID-19 pandemic, LIPA's tariff for electric service was temporarily modified to provide for the suspension of normal collections activity. As a result of the economic impact of the pandemic and delay in service terminations, LIPA has incurred increased customer arrears balances. LIPA increased its allowance for expected write-offs and furthermore, effective in 2021, the Board approved a modification to the Delivery Service Adjustment (DSA) electric rate mechanism to capture budget variances related to uncollectible expense during periods affected by a government-ordered or Board-authorized moratorium on service disconnections and up to two years following the end of such moratorium.

In April 2022, New York State's budget included $250 million to eliminate pandemic-related utility arrears accumulated through May 1, 2022, for eligible low-income households (the Phase 1 Forgiveness Program). The Phase 1 Forgiveness Program provided LIPA's low-income customers with approximately $10 million of credits from State funds, and LIPA funded an additional $15 million of bill credits through year end 2022. Credits provided in excess of State funds were charged against LIPA's reserve for uncollectible expense.

In January 2023, the New York State Public Service Commission approved additional relief for customers. LIPA similarly implemented a second phase of its residential arrears forgiveness program (the Phase 2 Forgiveness Program) to address the unprecedented amount of past due balances that accumulated during the COVID-19 pandemic through May 1, 2022. Under the Phase 2 Forgiveness Program, all residential customers are eligible for forgiveness of balances owed through May 1, 2022, except for those customers that participated in the Phase 1 Forgiveness Program. The arrears forgiven were capped at $2,000 for any individual account. Under the Phase 2 Forgiveness Program, approximately 39,000 residential customers across Long Island and the Rockaways received bill credits totaling approximately $40 million. LIPA's small commercial customers with demands that never exceeded 40 kW or that averaged less than 20 kW over an annual period were also provided bill credits for arrears forgiveness. Approximately 750 small commercial customers received bill credits totaling approximately $1.2 million.

Both the Phase 1 and Phase 2 Forgiveness Program credits were charged against LIPA's reserve for uncollectible expense. To the extent the uncollectible expense exceeds reserves it will be collected through LIPA's DSA.

FINANCIAL CONDITION OVERVIEW
THREE-MONTH PERIOD ENDED MARCH 31, 2023 COMPARED TO 2022

CHANGE IN NET POSITION

Net position decreased $73 million for the three-month period ended March 31, 2023, compared to the decrease for the three-month period ended March 31, 2022 of $59 million.

OPERATING REVENUES

Operating revenue decreased $169 million compared to the three-month period of 2022, primarily due to a decrease in the Power Supply Charge.

OPERATING EXPENSES

The Power Supply Charge, including property taxes, decreased $167 million when compared to the same three-month period of 2022 primarily due to (i) lower commodity costs and (ii) milder weather in 2023 resulting in decreased generation costs and (iii) lower property tax payments resulting from a lower annual escalation rate on the PSA power plants.

Operations and maintenance expense increased $20 million compared to the same three-month period of 2022 due to higher costs associated with (i) energy efficiency programs for heat pumps and LED lighting rebates, (ii) increased customer call center support, and (iii) information technology projects.

Storm restoration expense decreased $7 million when compared to the same three-month period of 2022 due to a lower level of storm activity. PSEG Long Island responded to two major storms through March 2023, none of which required mutual aid assistance, compared with four major storm events through March 2022, one of which required mutual aid assistance.

General and administrative expense increased $2 million when compared to the same three-month period of 2022 due to higher professional service fees resulting from the timing of projects.

NON-OPERATING REVENUES AND EXPENSES

Other income increased $6 million compared to the same three-month period of 2022 primarily due to higher investment income earned due to higher interest rates.

LIQUIDITY AND CAPITAL RESOURCES

LIPA's policy is to, at all times, maintain cash on hand and available credit equivalent to at least 150 days of operating expenses. As of March 31, 2023 and December 31, 2022, LIPA's available sources of liquidity for operating purposes and capital program funding, as displayed below, exceeded the policy target.

(amounts in thousands)	March 31, 2023	Days Cash	December 31, 2022	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	$ 356,648		$ 813,585	
OPEB Account cash, cash equivalents, and investments	561,560		522,648	
PSEG Long Island working capital requirements	253,037		228,312	
Total operating liquidity	1,171,245	**129**	1,564,545	**184**
Available credit				
General Revenue Notes — Revolving Credit Facility	200,000		200,000	
General Revenue Notes — Commercial Paper	714,000		869,000	
Total available credit	914,000		1,069,000	
Total cash, cash equivalents, investments, and available credit	**$ 2,085,245**	**229**	**$ 2,633,545**	**309**
Restricted cash, cash equivalents, and investments				
Clean Energy Compliance Fund	19,637		19,548	
UDSA	255,080		153,150	
Repayment of 2021 Notes	251,250		—	
Bond Proceeds for refunded bonds	63,228		—	
Total restricted cash, cash and cash equivalents, and investments	**$ 589,195**		**$ 172,698**	

CONSOLIDATED DEBT

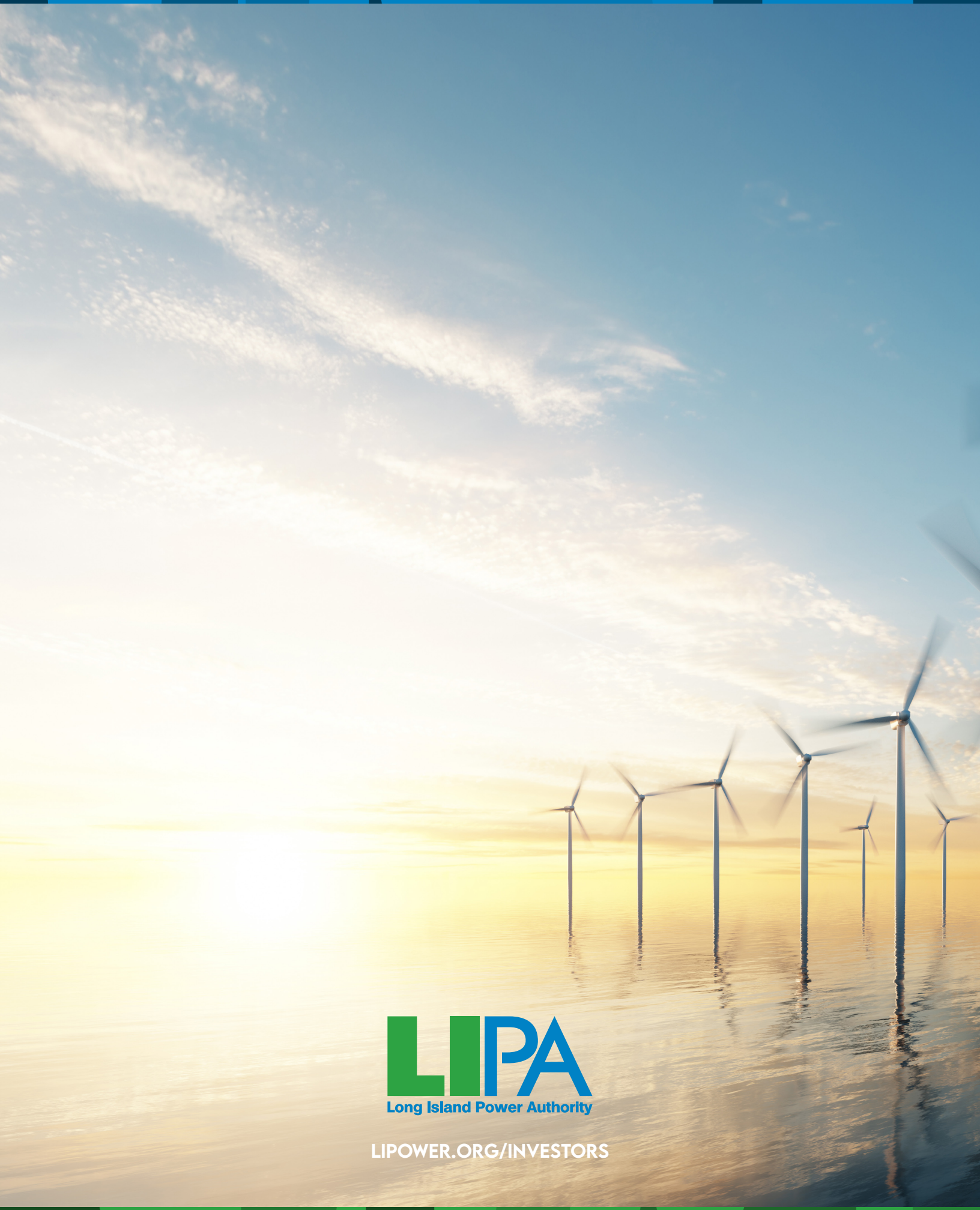
LIPA's consolidated debt as of March 31, 2023 and December 31, 2022 is comprised of the following:

(amounts in thousands)		March 31, 2023	December 31, 2022
Long-term debt:			
General revenue bonds/notes	$	5,025,595	4,958,223
Unamortized premiums		355,295	363,127
Less: Current maturities		(32,235)	(30,115)
		5,348,655	5,291,235
UDSA restructuring bonds		3,802,210	3,802,210
Unamortized premiums		323,424	335,365
Less: Current maturities		(264,660)	(264,660)
		3,860,974	3,872,915
Total Long-term debt	$	**9,209,629**	**9,164,150**
Short-term debt:			
General Revenue Notes - Commercial Paper	$	286,000	131,000
Total Short-term debt	$	**286,000**	**131,000**

REGULATORY ASSETS AND LIABILITIES

The table below displays LIPA's costs to be recovered from, or returned to, LIPA's customers in a future period (regulatory assets or liabilities). Regulatory assets increased $14 million due primarily to the timing of recovery of (i) the power supply charge (ii) revenue decoupling mechanism; offset by decreases in the delivery service adjustment. Regulatory liabilities to be paid within a one-year period decreased $126 million due primarily to unrealized commodity derivative gains which are deferred until settled.

(amounts in thousands)	2023			2022		
	Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
Regulatory assets:						
OSA - employee retirement benefits	$ 18,699	—	18,699	$ 19,481	—	19,481
Shoreham property tax settlement	50,300	251,883	302,183	50,300	257,135	307,435
Property tax litigation	—	124,202	124,202	—	120,083	120,083
Delivery service adjustment	4,420	17,555	21,975	—	40,995	40,995
Employee benefit plan settlement	15,634	27,359	42,993	15,634	31,268	46,902
Power supply charge recoverable	89,040	36,363	125,403	66,835	37,829	104,664
Debt issuance costs	2,804	21,568	24,372	2,804	22,283	25,087
Revenue decoupling mechanism	—	20,437	20,437	—	12,155	12,155
Unfunded actuarially determined reserves	—	8,132	8,132	—	8,132	8,132
Southampton visual benefit assessment	1,260	4,017	5,277	1,260	4,218	5,478
Unrealized financial instrument losses	—	42,497	42,497	—	36,329	36,329
New York State assessment	4,140	—	4,140	—	—	—
Total regulatory assets	**$ 186,297**	**554,013**	**740,310**	**$ 156,314**	**570,427**	**726,741**
Regulatory liabilities:						
Unrealized commodity derivative gains	86	30,540	30,626	97,435	66,006	163,441
OSA - employee retirement benefits	—	83,800	83,800	—	79,887	79,887
Power supply charge refundable	—	—	—	—	—	—
Revenue decoupling mechanism	41,774	—	41,774	65,010	—	65,010
Utility 2.0	17,635	—	17,635	20,222	—	20,222
Power supply charge refundable	28,841	19,466	48,307	—	19,466	19,466
Distributed energy resources	856	—	856	1,881	—	1,881
Delivery service adjustment	—	—	—	1,538	—	1,538
Unrealized financial instrument gains	2,161	—	2,161	—	—	—
New York State assessment	—	—	—	11	—	11
Total regulatory liabilities	**$ 91,353**	**133,806**	**225,159**	**$ 186,097**	**165,359**	**351,456**



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