Utility Debt Securitization Authority

In August 2021, New York's Governor signed a bill into law authorizing the issuance of additional securitized bonds for refinancing and to fund LIPA transmission and distribution system resiliency investments. With these legislative changes the UDSA may issue up to $8.0 billion of securitized bonds (inclusive of the bonds already issued).

UDSA (rated triple-A) provides a lower cost of financing than LIPA bonds. As such, in September 2022, UDSA refinanced approximately $852 million of LIPA and UDSA bonds achieving net present value debt service savings of $42 million. UDSA also funded $100 million of 2022 storm hardening investments using LIPA's first "green bond" transaction.

UDSA financings have saved LIPA customers $534 million in net present value debt service savings since 2013. A total of $5.3 billion of UDSA Restructuring Bonds have been issued resulting in approximately $2.7 billion remaining in statutory capacity.

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	2021 Actual	2022 Approved	2022 Projected	2023 Approved	2023 Change from Prior Year	2024 Projected	2024 Change from Prior Year
Revenues	**$ 354,665**	**$ 344,993**	**$ 370,828**	**$ 422,222**	**$ 77,229**	**$ 395,545**	**$ (26,678)**
Operating Expenses							
Uncollectible Accounts	256	2,801	1,898	3,196	395	2,779	(417)
General and Administrative Expense							
Ongoing Servicer Fee	2,208	2,250	2,350	2,718	468	2,718	-
Administration Fees	542	500	525	600	100	600	-
Bond Administration Fees	314	152	331	380	227	389	9
Directors and Officers Insurance	286	330	330	347	17	364	17
Accounting, Legal & Misc. Fees	82	155	105	105	(50)	105	-
Total General and Administrative Expense	**3,433**	**3,388**	**3,642**	**4,149**	**762**	**4,176**	**27**
Amortization of Restructuring Property	**234,806**	**223,082**	**225,566**	**308,490**	**85,408**	**263,685**	**(44,805)**
Interest Expense	187,643	179,694	183,144	184,040	4,346	170,849	(13,191)
Amortization of Premium	(45,119)	(42,050)	(43,698)	(53,018)	(10,968)	(44,443)	8,575
Amortization of Deferred Debt Issuance Costs	2,035	1,886	1,885	2,672	787	2,148	(524)
Total Interest Expense	**144,558**	**139,530**	**141,330**	**133,694**	**(5,836)**	**128,554**	**(5,140)**
Reserve Fund Earnings	**39**	**38**	**1,027**	**1,481**	**1,444**	**1,481**	**-**
Change in Net Position	**$ (28,349)**	**$ (23,770)**	**$ (581)**	**$ (25,826)**	**$ (2,056)**	**$ (2,169)**	**$ 23,657**