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FITCH RATINGS UPGRADE LIPA TO 'A+' WITH STABLE OUTLOOK

UNIONDALE, NY – Fitch Ratings has upgraded the Long Island Power Authority (LIPA) to an 'A+' rating with a stable outlook, a significant improvement from the previous 'A' rating with a positive outlook. This upgrade is a direct result of LIPA's enhanced financial performance and continued and steady achievement of its [strategic objectives](#) set by the Board of Trustees.

Key highlights of the rating action include:

- **Rating Upgrade:** LIPA's electric system general revenue bonds, including approximately \$737 million series 2024A and approximately \$285 million series 2024B bonds, have been assigned an 'A+' rating.
- **Stable Outlook:** Fitch has affirmed a stable outlook, indicating confidence in LIPA's financial stability and operational effectiveness.
- **Financial Improvements:** The upgrade is attributed to LIPA's improved leverage ratio, which has decreased over the past five years and is expected to further decline by 2028. This improvement is supported by strategic budgeting and higher fixed-obligation coverage.
- **Revenue Stability:** LIPA's revenue stability is enhanced by its revenue-decoupling mechanism (RDM) and timely cost recovery through modest rate increases.
- **Operational Efficiency:** Efforts to moderate costs and improve system resilience and reliability have also contributed to achieving the upgrade.

The LIPA Board's adopted policies to reduce the utility's leverage, or the amount of borrowed capital to undertake an investment or project, continue to demonstrate value to customers. Additionally, strong management of LIPA's debt portfolio has resulted in over \$500 million of savings for customers over this period.

John Rhodes, Acting Chief Executive Officer of LIPA, said, "I am proud of the continued professionalism and dedication of the LIPA team. This rating upgrade reflects our excellent delivery against our strategic objectives. It also signals that our ongoing commitment to providing clean, safe, and reliable service to our customers, most importantly, maintains fiscal responsibility."

Donna Mongiardo, LIPA's Chief Financial Officer, stated, "This upgrade by Fitch Ratings is a testament to our prudent financial management and the hard work of our entire team over the past 10 years. We have consistently focused on reducing our leverage and improving our financial metrics, and this recognition reflects those collective efforts."

Tracey Edwards, Chair of the LIPA Board of Trustees, said, "This rating upgrade is a reflection of the strong leadership team we have in place, particularly the Finance Department under the guidance of Donna Mongiardo. Donna's expertise and the dedicated efforts of our entire team have been pivotal in achieving this milestone."

LIPA continues to prioritize sustaining financial health and operational excellence, as the foundation for ensuring clean, reliable, and affordable service to its customers.

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ABOUT LIPA

The Long Island Power Authority is a not-for-profit public utility with a mission to enable clean, reliable, and affordable electric service for our customers on Long Island and the Rockaways. LIPA owns the retail electric system on Long Island and contracts with PSEG Long Island to operate the system under a service agreement.