



# 2024 Projected Financial Results

*Finance and Audit Committee*

December 18, 2024

**Presented by:** Donna Mongiardo, CFO LIPA  
and Martin Shames, Senior Director of Finance PSEG LI



# LIPA Consolidated Results – Projected 2024

<i>(\$ in thousands)</i>	Projected Annual Forecast	Approved Annual Budget	\$ Var.	% Var.
<b>Revenues</b>	<b>\$4,105,053</b>	<b>\$4,190,774</b>	<b>(\$85,721)</b>	<b>-2.0%</b>
Power Supply Charge	1,957,902	2,019,085	61,183	3.0%
<b>Revenue Net of Power Supply Charge</b>	<b>2,147,150</b>	<b>2,171,689</b>	<b>(24,538)</b>	<b>-1.1%</b>
<b>PSEG Long Island Operating and Managed Expenses</b>				
PSEG Long Island Operating Expenses <sup>(a)</sup>	678,169	686,457	8,288	1.2%
PSEG Long Island Managed Expenses	122,690	157,625	34,935	22.2%
Utility Depreciation	340,297	382,340	42,043	11.0%
PILOTs	346,261	350,944	4,683	1.3%
LIPA Operating Expenses <sup>(a)</sup>	117,899	132,520	14,621	11.0%
LIPA Depreciation and Amortization	138,429	138,429	-	0.0%
Interest Expense	363,294	363,361	67	0.0%
<b>Total Expenses</b>	<b>\$2,107,040</b>	<b>\$2,211,677</b>	<b>\$104,638</b>	<b>4.7%</b>
Other Income and Deductions	98,225	82,635	15,590	18.9%
Grant Income	46,934	40,412	6,521	16.1%
<b>Total Non-Operating Revenue</b>	<b>\$145,159</b>	<b>\$123,047</b>	<b>\$22,111</b>	<b>18.0%</b>
<b>Change in Net Position</b>	<b>\$185,269</b>	<b>\$83,059</b>	<b>\$102,211</b>	<b>123.1%</b>

Note: Variance - favorable/(unfavorable)

(a) LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

# LIPA Managed Expenses & Income – Projected 2024

- LIPA operating expense is under budget by \$14.6M due to unreleased PSEGLI operating expenses of \$7.9M and lower 2023 PSEGLI Incentive Compensation of \$6.8M.
- Other income and deductions are favorable against budget by \$12.7M due to (i) gains on the Nuclear Decommissioning Trust of \$2.0M and System Resiliency Fund of \$2.6M (ii) a damage claim settlement of \$1.5M and (iii) higher interest earned on the Rate Stabilization Fund, OPEB Account and UDSA accounts due to higher than budgeted rates.
- Grant Income is favorable against budget by \$6.5M due to FEMA reimbursement grant received related to COVID-19 costs.

(\$ in thousands)

	Projected Annual Forecast	Approved Annual Budget	\$ Var.	% Var.
<b>LIPA Expenses</b>				
LIPA Operating Expenses <sup>(a)</sup>	\$117,899	\$132,520	\$14,621	11.0%
LIPA Depreciation and Amortization	113,415	113,415	-	0.0%
LIPA Deferred Amortized Expenses	25,014	25,014	-	0.0%
Interest Expense, other Interest Costs and Interest Amortizations	364,086	363,361	(725)	-0.2%
<b>Total Expenses</b>	<b>\$620,414</b>	<b>\$634,310</b>	<b>\$13,896</b>	<b>2.2%</b>
Other Income and Deductions	70,389	57,688	12,701	22.0%
Grant Income	46,934	40,412	6,521	16.1%
<b>Total Income</b>	<b>\$117,323</b>	<b>\$98,100</b>	<b>\$19,223</b>	<b>19.6%</b>
<b>LIPA Capital</b>	<b>\$2,500</b>	<b>\$10,000</b>	<b>\$7,500</b>	<b>75.0%</b>

Note: Variance - favorable/(unfavorable)

(a) LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

# LIPA Liquidity Position – October 2024

<i>(\$ in thousands)</i>	October 31, 2024	Days Cash	September 30, 2024	Days Cash
<b>Operating liquidity</b>				
Unrestricted cash, cash equivalents, and investments	\$ 698,127		\$ 647,490	
OPEB Account cash, cash equivalents, and investments	732,219		748,572	
PSEG Long Island working capital requirements	313,673		297,177	
<b>Total operating liquidity</b>	<b>1,744,019</b>	<b>190</b>	<b>1,693,239</b>	<b>185</b>
<b>Available credit</b>				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	700,000		665,000	
<b>Total available credit</b>	<b>900,000</b>		<b>865,000</b>	
<b>Total cash, cash equivalents, investments, and available credit</b>	<b>\$ 2,644,019</b>	<b>288</b>	<b>\$ 2,558,239</b>	<b>279</b>
<b>Restricted cash and cash equivalents</b>				
Clean Energy Compliance Fund	20,472		20,419	
Repayment of Series 2021 Notes	250,000		250,000	
UDSA	263,592		220,909	
<b>Total restricted cash</b>	<b>\$ 534,064</b>		<b>\$ 491,328</b>	

**LIPA continues to exceed its required 150 days cash and available credit on hand**

# PSEG Long Island Operating Expenses – Projected 2024

Total expense is expected to be under budget by \$8.3M primarily due :

- T&D is over budget by (\$6.0M) due to additional storm hardening, customer work and warehouse supplies.
- Asset Management is under budget by \$2.0M due lower consulting cost for ISO55000 coupled with lower headcount.
- Construction & Ops is under budget by \$3.5M due to real estate tax credit, lower maintenance from National Grid, and lower Outside Services, partially offset by the Fire Island Shoreline Restoration.
- IT is under budget by \$3.5M due to deferral until 2025 of incremental System Separation ongoing operating expenses
- Business Services is over budget by (\$9.4M) due to an increase in outside legal counsel expenses coupled with increased fringe costs.
- Energy Efficiency is under budget by \$5.9M due to lower rebate costs while meeting all goals.
- Utility 2.0 is under budget by \$5.0M due NYSERDA delays in Electric Vehicle Prize award program and Residential Energy Storage Program.

(\$ in thousands)

## PSEG Long Island Operating Expenses

	Projected Annual Forecast	Approved Annual Budget	\$ Var.	% Var.
Transmission & Distribution <sup>(a)</sup>	\$211,668	\$205,659	(\$6,009)	-2.9%
Asset Management & Reliability	8,156	10,178	2,021	19.9%
Construction & Operations Services	36,742	40,268	3,526	8.8%
Customer Services <sup>(a)</sup>	121,173	122,932	1,759	1.4%
Information Technology & Cybersecurity <sup>(a)</sup>	96,389	99,900	3,511	3.5%
Business Services	81,897	72,521	(9,376)	-12.9%
Power System Management	21,179	23,092	1,913	8.3%
Energy Efficiency & Renewable Energy	91,259	97,153	5,895	6.1%
Utility 2.0	9,705	14,754	5,049	34.2%
<b>Total PSEG Long Island Operating Expenses</b>	<b>\$678,169</b>	<b>\$686,457</b>	<b>\$8,288</b>	<b>1.2%</b>

Note: Variance - favorable/(unfavorable)

(a) LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

# PSEG Long Island Managed Expenses – Projected 2024

- Uncollectible expense is under budget by \$11.7M due to budgeted write-off assumption of 0.66% vs. actual of 0.40%.
- Storm Restoration is under budget by \$28.2M. Twelve storms were incurred, three of which used mutual aid assistance.
- Utility Depreciation is under budget by \$42.0M due to the early retirement in 2023 of Salesforce software plus the timing of depreciation on certain other IT projects which have deferred in-service dates.
- Pension & OPEB expense is over budget by (\$6.8M) due to discount rate updates in the actuarial models.
- PILOTs – Property Tax is under budget by \$4.5M due to a decrease in assessments and tax rates than assumed in the budget.
- Other income & deductions are favorable against budget by \$2.9M due to higher interest earned on the PSEGLI funding accounts resulting from higher than budgeted rates.

(\$ in thousands)

## PSEG Long Island Managed Expenses

	Projected Annual Forecast	Approved Annual Budget	\$ Var.	% Var.
Uncollectible Accounts	\$17,224	\$28,917	\$11,693	40.4%
Storm Restoration	55,345	83,500	28,155	33.7%
NYS Assessment	9,719	11,840	2,121	17.9%
Utility Depreciation	340,297	382,340	42,043	11.0%
Pension & OPEB Expense	36,795	29,961	(6,834)	-22.8%
PILOTs - Revenue-Based Taxes	44,367	44,578	211	0.5%
PILOTs - Property-Based Taxes	301,894	306,366	4,472	1.5%
PSEGLI Managed - Misc	3,608	3,408	(200)	-5.9%
<b>Total PSEG Long Island Managed Expenses</b>	<b>\$809,248</b>	<b>\$890,910</b>	<b>\$81,662</b>	<b>9.2%</b>
<b>Other Income &amp; Deductions</b>	<b>\$27,836</b>	<b>\$24,947</b>	<b>\$2,889</b>	<b>11.6%</b>

Note: Variance - favorable/(unfavorable)

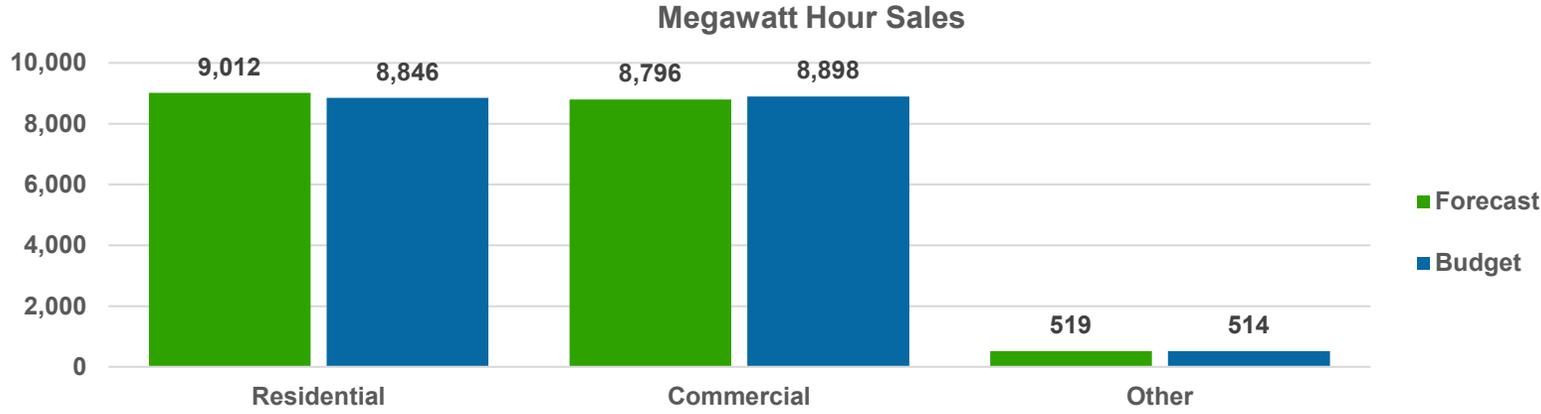
# PSEG Long Island Revenue – Projected 2024

- Revenue, net of PSCs, is (\$24.5M) lower than budget primarily due to DSA Storm Deferral.
- Power Supply Charge is \$61.2M lower than budget driven by lower energy prices.
- Residential Sales of electricity are higher than budget due to impacts of weather and improved economic factors.

(\$ in thousands)

	Projected Annual Forecast	Approved Annual Budget	\$ Var.	% Var.
<b>Revenues</b>	\$4,105,053	\$4,190,774	(\$85,721)	-2.0%
<b>Power Supply Charge</b>	\$1,957,902	\$2,019,085	\$61,183	3.0%
<b>Revenue Net of Power Supply Costs</b>	\$2,147,150	\$2,171,689	(\$24,538)	-1.1%

Note: Variance - favorable/(unfavorable)



# Capital Expenditures – Projected 2024

- T&D is over budget by (\$19.8M) primarily due to:
  - Emergent Projects of \$60.9M
  - Partially offset by cost savings from favorable vendor bids and updated cost estimates based on the latest information \$20.8M and change in scheduling and construction, material, and permitting delays of \$20.3M
- IT – Cyber is under budget \$3.3M due to schedule change in CyberArk for CNI and lower costs for Cybersecurity Cont. Improvement.
- Other General Plant is under budget by \$14.6M due to shift in construction schedule of new Operations yard to 2025.
- Fleet is under budget by \$11.9M due to shift in delivery of all aerial orders to 2025 and 2026.
- Offshore Wind is under budget by \$6.7M due to change in property purchase locations.
- Utility 2.0 is under budget by \$7.7M primarily due to scope shift because of NYSERDA delays for IEDR Platform.

(\$ in thousands)

## Transmission and Distribution

Load Growth	\$174,100	\$188,945	\$14,845	7.9%
Reliability	326,306	307,744	(18,562)	-6.0%
Storm Hardening	68,615	66,600	(2,015)	-3.0%
Economic, Salvage, Tools, Equip & Other	56,105	42,079	(14,026)	-33.3%

## Total T&D Projects

**\$625,126**      **\$605,368**      **(\$19,758)**      **-3.3%**

## Other PSEG Long Island Capital Expenditures

Information Technology Projects <sup>(a)</sup>	74,175	72,098	(2,077)	-2.9%
Information Technology - Cyber Security <sup>(a)</sup>	13,807	17,117	3,310	19.3%
Customer Operations	8,182	8,195	13	0.2%
Other General Plant <sup>(a)</sup>	17,138	31,738	14,600	46.0%
Fleet	7,752	19,669	11,916	60.6%
Offshore Wind Transmission	16,179	22,870	6,691	29.3%
Utility 2.0	3,072	10,755	7,683	71.4%

## Total T&D and Other Projects

**765,432**      **787,809**      **\$22,377**      **2.8%**

FEMA Storm Hardening	1,819	5,140	3,321	64.6%
Capital Storm	7,005	3,479	(3,525)	-101.3%

## Total PSEG Long Island Capital

**\$774,255**      **\$796,428**      **\$22,173**      **2.8%**

Management Fee	34,167	31,163	(3,004)	-9.6%
Pending Project Authorization Funds	14,948	37,845	22,897	60.5%
Nine Mile Point 2	28,123	29,926	1,803	6.0%
LIPA Capital	2,073	10,000	7,927	79.3%

## Total Capital Expenditures

**\$853,567**      **\$905,362**      **\$51,795**      **5.7%**

Note: Variance - favorable/(unfavorable)

(a) PSEG Long Island Pending Project Authorizations are budgeted resources held outside the PSEG Long Island Budget pending additional project information. In 2024, LIPA released \$21.2 million for IT projects, \$9.0 million for Cyber projects and \$31.7 million for Other General Plant.

# PSEG Long Island Major Capital Expenditures – Over \$25M (Total Project Cost) – Projected 2024

Description	Original Total Project Cost (\$M)		Total Project Actuals Through 10/31/24 (\$M)	Current Working Estimate (\$M)	Current Estimated Completion Date
	Cost Estimate	Date of Cost Estimate			
Rockaway Beach - New 33kV Circuit to Arverne Substation	\$37	2020	\$23	\$29	Jun-24*
Belmont: Convert substation from 33 kV to 69 kV	\$131	2021	\$28	\$59	Jun-25
Bridgehampton to Buell: Transmission	\$46	2017	\$9	\$65	Dec-25
System Separation	\$21	2022	\$23	\$70	Dec-25
North Bellport: Eastport 23kV conversion	\$26	2021	\$0	\$52	May-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$4	\$79	Dec-26
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$0	\$42	Aug-28
Transmission Operations Control Room Facility Replacement	\$84	2018	\$2	\$113	Dec-27
Arverne - New Wavecrest Substation and C&R	\$86	2023	\$0	\$86	Jun-30
Rockville Centre Load Pocket	\$37	2022	\$0	\$36	Jun-28
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$44	Jun-28
Enterprise Asset Management System	\$48	2022	\$6	\$61	Dec-28
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$3	\$47	Apr-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$0	\$46	May-30
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$0	\$134	Dec-29
Transmission Operations Alternate Control Room Facility	\$69	2023	\$0	\$68	Dec-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$1	\$48	May-30
Barrett OSW (Liotta) Interconnect to New Barrett 138/345kV Sub	\$88	2023	\$0	\$88	May-30
Syosset Install PAR on terminal of proposed new 138kV Ckt	\$38	2023	\$0	\$44	Jun-30
Substation Security Expansion Project	\$53	2017	\$30	\$152	Dec-33
<b>Total</b>	<b>\$1,233</b>		<b>\$129</b>	<b>\$1,362</b>	

Note: \* Projects are complete and In Service

# Questions?

**Donna Mongiardo**  
CFO

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