



February 2025 Financial Results

Finance and Audit Committee

March 26, 2025

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



LIPA Consolidated Results – February 2025

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget
Revenues	\$697,807	\$660,324	\$37,483	5.7%	\$4,336,666
Power Supply Charge	384,782	343,767	(41,015)	-11.9%	2,068,435
Revenue Net of Power Supply Charge	313,025	316,557	(3,532)	-1.1%	2,268,231
PSEG Long Island Operating and Managed Expenses					
PSEG Long Island Operating Expenses	107,513	110,215	2,702	2.5%	686,000
PSEG Long Island Managed Expenses	15,186	24,001	8,815	36.7%	156,243
Utility Depreciation	58,613	59,199	586	1.0%	374,821
PILOTs	57,499	57,854	355	0.6%	350,907
LIPA Operating Expenses	16,398	16,145	(253)	-1.6%	127,265
LIPA Depreciation and Amortization	23,111	23,111	-	0.0%	138,669
Interest Expense	57,039	59,276	2,238	3.8%	374,203
Total Expenses	\$335,357	\$349,801	\$14,444	4.1%	2,208,109
Other Income and Deductions	12,031	10,477	1,554	14.8%	74,103
Grant Income	3,359	3,286	73	2.2%	39,719
Total Non-Operating Revenue	\$15,390	\$13,763	\$1,627	11.8%	\$113,822
Change in Net Position	(\$6,942)	(\$19,481)	\$12,539	64.4%	173,945

Note: Variance - favorable/(unfavorable)

LIPA Managed Expenses & Income – February 2025

- Interest expense is under budget \$2.2M due to lower interest rates and outstanding balances for short term debt.
- Other income and deductions are favorable against budget by \$1.5M due to (i) excess funds in the construction account of \$1.0M (ii) higher interest earned on the UDSA accounts due to higher than budgeted rates.

(\$ in thousands)

LIPA Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget
LIPA Operating Expenses	\$16,398	\$16,145	(\$253)	-1.6%	\$127,265
LIPA Depreciation and Amortization	18,942	18,942	- 0	0.0%	1113,855
LIPA Deferred Amortized Expenses	4,169	4,169	-	0.0%	25,014
Interest Expense, other Interest Costs and Interest Amortizations	57,039	59,276	2,238	3.8%	374,203
Total Expenses	\$96,548	\$98,532	\$1,985	2.0%	\$640,137
Other Income and Deductions	7,558	6,053	1,505	24.9%	48,096
Grant Income	3,359	3,286	73	2.2%	39,719
Total Income	\$10,917	\$9,339	\$1,578	16.9%	\$87,815
LIPA Capital	\$250	\$400	\$150	37.5%	\$6,000

Note: Variance - favorable/(unfavorable)

LIPA Liquidity Position – February 2025

(\$ in thousands)	February 28, 2025	Days Cash	January 31, 2025	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 487,743		\$ 521,749	
OPEB Account cash, cash equivalents, and investments	755,895		753,899	
PSEG Long Island working capital requirements	371,947		351,097	
Total operating liquidity	1,615,585	174	1,626,745	175
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	712,000		700,000	
Total available credit	912,000		900,000	
Total cash, cash equivalents, investments, and available credit	\$ 2,527,585	272	\$ 2,526,745	272
Restricted cash and cash equivalents				
Clean Energy Compliance Fund	20,667		20,622	
UDSA	184,255		155,222	
Repayment of Series 2021 Notes	250,000		250,000	
Total restricted cash	\$ 454,922		\$ 425,844	

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

PSEG Long Island Operating Expenses – February 2025

Total expense is under budget by \$2.7M primarily due to:

- Construction & Ops is under budget by \$1.2M due to the timing of vendor expenses.
- Business Services is over budget by (\$1.4M) due to the trending of potential cost-saving strategies pending in the budget.
- Energy Efficiency is under budget by \$1.0M due to an underrun in commercial rebates.

(\$ in thousands)

PSEG Long Island Operating Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget
Transmission & Distribution	\$33,087	\$33,625	\$538	1.6%	\$199,153
Asset Management & Reliability	991	1,524	533	35.0%	9,501
Construction & Operations Services	7,512	8,699	1,187	13.6%	47,607
Customer Services	20,241	20,842	602	2.9%	127,014
Information Technology & Cybersecurity	15,759	15,520	(239)	-1.5%	100,654
Business Services	11,378	9,969	(1,410)	-14.1%	69,282
Power System Management	3,274	3,602	328	9.1%	23,175
Energy Efficiency & Renewable Energy	13,701	14,701	1,000	6.8%	95,903
Utility 2.0	1,572	1,734	163	9.4%	13,710
Total PSEG Long Island Operating Expenses	\$107,513	\$110,215	\$2,702	2.5%	\$686,000

Note: Variance - favorable/(unfavorable)

PSEG Long Island Managed Expenses – February 2025

- Storm Restoration is under budget by \$8.2M due to lower storm activity. One storm was incurred, it did not require mutual aid assistance.
- Pension & OPEB expense is under budget by \$0.6M due to discount rate updates in the actuarial models.
- PSEGLI Misc. Managed expense is over budget by (\$0.9M) due to legal claims.

(\$ in thousands)

PSEG Long Island Managed Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget
Uncollectible Accounts	\$3,410	\$3,735	\$325	8.7%	\$23,412
Storm Restoration	3,714	11,895	8,181	68.8%	83,500
NYS Assessment	1,430	1,999	568	28.4%	12,237
Utility Depreciation	58,613	59,199	586	1.0%	374,821
Pension & OPEB Expense	4,978	5,609	631	11.2%	33,629
PILOTs - Revenue-Based Taxes	6,675	7,030	355	5.1%	45,965
PILOTs - Property-Based Taxes	50,824	50,824	-	0.0%	304,941
PSEGLI Managed - Misc	1,652	763	(889)	-116.6%	3,465
Total PSEG Long Island Managed Expenses	\$131,297	\$141,054	\$9,757	6.9%	\$881,971
Other Income & Deductions	\$4,474	\$4,424	\$49	1.1%	\$26,007

Note: Variance - favorable/(unfavorable)

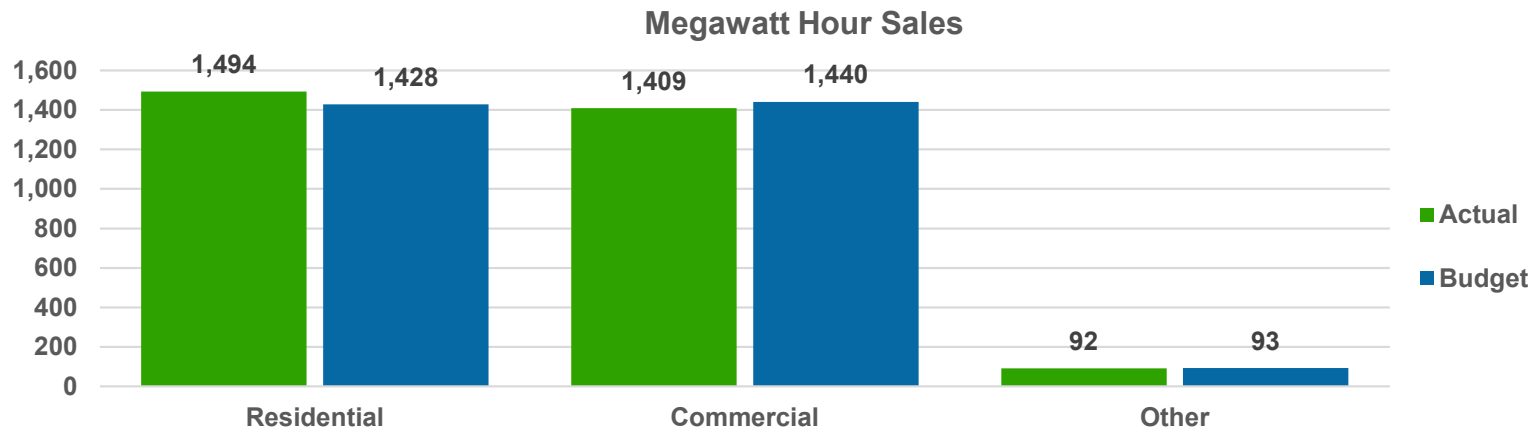
PSEG Long Island Revenue – February 2025

- Revenue, net of PSCs, is (\$3.5M) lower than budget primarily due to DSA Debt Service Deferral.
- Power Supply Charge is (\$41.0M) higher than budget primarily due to higher commodity prices, driven by colder than normal weather and higher demand for natural gas in the region.
- Total Sales of electricity are higher than budget due to Residential Sales impacted by weather partially offset by lower Commercial Sales.

(\$ in thousands)

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Revenue Net of Power Supply Costs	\$313,025	\$316,557	(\$3,532)	-1.1%	\$2,268,231

Note: Variance - favorable/(unfavorable)



Capital Expenditures – February 2025

- T&D is under budget by \$14.6M primarily due to:
 - Load Growth is under budget by \$9.4M due to reduction in material costs, delay in delivery of Gas Insulated Substation equipment, and lower overhead costs.
 - Reliability is under budget \$6.5M due to lower construction bid for Transmission LIRR Pole Replacements, shift in schedule of System Spares purchases and work for Substation Transformers Replacement Program.
 - Storm Hardening is over budget (\$6.2M) due to work completed ahead of budget schedule.
- Other General Plant is under budget by \$9.4M due to shift in schedule of new Ops Yard purchase.
- Fleet is under budget by \$2.2M due to vehicle delivery scheduled to later in the year.
- FEMA Storm Hardening is under budget by \$4.7M due to timing of Isaias hazard mitigation project.

(\$ in thousands)

Transmission and Distribution

	Actual	Budget	\$ Var.	% Var.	FY Budget
Regulatory Driven	41	682	641	93.9%	4,095
Load Growth	22,528	31,913	9,385	29.4%	191,477
Reliability	43,687	50,219	6,532	13.0%	301,316
Storm Hardening	14,964	8,789	(6,175)	-70.3%	52,732
Economic, Salvage, Tools, Equip & Other	4,634	8,832	4,197	47.5%	52,989
Total T&D Projects	\$85,855	\$100,435	\$14,580	14.5%	\$602,609

Other PSEG Long Island Capital Expenditures

Information Technology Projects ¹	6,695	7,619	924	12.1%	45,712
Information Technology - Cyber Security ¹	1,435	492	(943)	-191.9%	2,949
Customer Operations ¹	840	1,226	386	31.5%	7,354
Other General Plant	141	9,497	9,356	98.5%	56,980
Fleet	-	2,200	2,200	100.0%	13,199
Offshore Wind Transmission	1,829	2,567	738	28.7%	15,401
Property Acquisition	5	-	(5)	0.0%	-
Utility 2.0	1,107	2,206	1,099	49.8%	13,237
Total T&D and Other Projects	97,907	126,240	\$28,333	22.4%	757,442

FEMA Storm Hardening	809	5,534	4,724	85.4%	33,202
Capital Storm	61	557	496	89.0%	3,340
Total PSEG Long Island Capital	\$98,777	\$132,331	\$33,553	25.4%	\$793,984

Management Fee	6,310	5,850	(459)	-7.9%	35,102
Pending Project Authorization Funds	-	-	-	0.0%	166,551
Nine Mile Point 2	1,006	711	(294)	-41.4%	4,268
LIPA Capital	250	400	150	37.5%	6,000
Total Capital Expenditures	\$106,342	\$139,292	\$32,950	23.7%	\$1,005,906

Note: Variance - favorable/(unfavorable)

¹ In 2025 YTD, LIPA released \$3.4 million for IT projects, \$0.1 million for Cyber projects and \$4.0 million for Customer Operations projects, originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

PSEG Long Island Major Capital Expenditures – Over \$25M (Total Project Cost) – February 2025

Description	Original Total Project Cost		Total Project Actuals Through 2/28/25 (\$M)	Current Working Estimate* (\$M)	Spend Progress	Current Estimated Completion Date*
	Cost Estimate (\$M)	Date of Cost Estimate				
Belmont: Convert substation from 33 kV to 69 kV	\$131	2021	\$36	\$52	69%	Jun-25
Bridgehampton to Buell: Transmission	\$46	2017	\$21	\$65	33%	Dec-25
System Separation	\$21	2022	\$38	\$75	51%	Dec-25
North Bellport: Eastport 23kV conversion	\$26	2021	\$0	\$52	0%	May-26
North Bellmore Install 33 MVA Bank, Swgr, Feeders & C&R	\$22	2020	\$5	\$26	19%	Jun-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$5	\$79	6%	Dec-26
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$0	\$42	0%	Dec-27
Transmission Operations Control Room Facility Replacement	\$84	2018	\$3	\$113	3%	Dec-27
East Garden City Install Reactors on 138kV circuits (138-462/463)	\$14	2023	\$0	\$34	1%	May-28
Rockville Centre Load Pocket	\$37	2022	\$0	\$36	0%	Jun-28
Lindbergh: Substation Expansion	\$60	2024	\$0	\$60	0%	Jun-28
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$44	0%	Oct-28
Enterprise Asset Management System	\$48	2022	\$5	\$61	8%	Dec-28
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$3	\$47	7%	Apr-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$1	\$48	3%	May-29
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$1	\$103	1%	Dec-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$1	\$46	1%	May-30
Barrett OSW (Liotta) Interconnect to New Barrett 138/345kV Sub	\$88	2023	\$0	\$88	0%	May-30
Arverne - New Wavecrest Substation and C&R	\$86	2023	\$0	\$86	0%	Dec-30
Fire Island Pines: Install new 23 kV circuit to Ocean Beach	\$40	2024	\$0	\$40	0%	Dec-30
Transmission Operations Alternate Control Room Facility	\$69	2023	\$0	\$68	0%	Dec-33
Substation Security Expansion Project	\$53	2017	\$31	\$152	21%	Dec-33
Total			\$152	\$1,417		

Note: Project Update for Highlighted Projects – all projects are within budget and estimated time of completion

- **Belmont: Convert substation from 33 kV to 69 kV Project**
 - Installs two circuits from the Lake Success to Belmont.
 - Supply the proposed load additions in Belmont area especially by the Belmont UBS arena.
- **Bridgehampton to Buell: Transmission Project**
 - Installs approximately 7.5 miles of 69kV cables between the Bridgehampton and Buell substations, through Sag Harbor and utilizing Route 114.
- **System Separation Project**
 - Separates LIPA IT systems from PSEG New Jersey
 - Requires implementation of newly dedicated systems and infrastructure, transfer of LI data, and establishment of technical support roles in LI to manage the systems following separation.
 - Bundle I: SAP and Ancillary ERP Systems by April 2025
- **North Bellmore Install 33 MVA Bank, Swgr, Feeders & C&R**
 - Installs 69/13 kV 33 MVA bank using Gas Insulated Substation equipment
 - Includes two underground exit cables for 1.6 total circuit miles
- **Substation Security Expansion Project**
 - Multiyear plan to install a state-of-the-art security system with communications to a centralized security center for the 63 critical stations.
 - Card control access for the substation, intrusion alert, electronic surveillance, license plate readers and RADAR detection. Mitigates the risks associated with Physical Asset Protection.

Questions?

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