

Q1 | 2025



# QUARTERLY

## Unaudited **Financial Report**

For the Three-Month Period  
Ended March 31, 2025

**Long Island Power Authority**  
(A Component Unit of the State of New York)

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## Long Island Power Authority

(A Component Unit of the State of New York)

The Long Island Power Authority (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). LIPA is a component unit of the State of New York (State) and as such is included in the State's annual financial statements.

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 3.0 million.

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.

LIPA has proposed to simplify LIPA's operations by consolidating LIPA and LILCO and has successfully sought a letter ruling from the Internal Revenue Service to confirm there would be no federal tax liability to LIPA or LILCO as a result of the merger of LILCO into LIPA. In June 2024, LIPA's Board approved the merger into LIPA of its wholly owned subsidiary LILCO. In 2020, LIPA's Board approved requested consolidation amendments to its Bond Resolution and the proposed amendments are subject to the consent or deemed consent of the holders of a majority in principal amount of all of LIPA's outstanding bonds. LIPA is awaiting required consents to make effective the amendment and restatement of the Bond Resolution.

The Reform Act 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 the statutory authority for the issuance of restructuring bonds that allows UDSA to issue an initial par up to \$8.0 billion of securitized bonds (inclusive of bonds already issued) to refinance outstanding indebtedness for a net present value debt savings or to fund LIPA's T&D system resiliency investments. UDSA is considered a blended component unit. The activities of UDSA operations are consolidated with the operations of LIPA for financial reporting purposes.

As of March 31, 2025, a total of \$6.3 billion of UDSA Restructuring Bonds have been issued resulting in \$1.7 billion in remaining statutory capacity. UDSA refinancings have saved LIPA customers \$579 million of net present value debt savings since 2013.

LIPA contracts for the majority of services necessary to deliver electric service. Since 2014, LIPA has contracted with PSEG Long Island LLC (PSEG Long Island) under the Amended and Restated Operations Services Agreement (A&R OSA) to provide management services which expires on December 31, 2025. PSEG Long Island is a wholly owned subsidiary of Public Service Enterprise Group (PSEG), and LIPA provides service to customers under the PSEG Long Island brand name. ServCo, a subsidiary company of PSEG Long Island consists of approximately 2,700 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 Pass-Through Expenditures paid by the Authority. Upon the termination of the A&R OSA, PSEG Long Island is required to transfer all Membership Interests in ServCo to LIPA or, at LIPA's direction, its designee, at no cost.

PSEG Long Island acts as service provider for LIPA in performing many of its obligations and in return receives (a) a fixed management fee, and (b) 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 includes an increase in PSEG Long Island's annual compensation at risk, strengthened termination rights, enhanced DPS oversight responsibilities, enhanced dedicated management team, and separation of LIPA information technology systems, including the Enterprise Resource Planning system (ERP), among other things. Furthermore, the Second A&R OSA replaced PSEG Long Island's eight-year term extension option with a five-year extension option. As this contract is set to expire on December 31, 2025 LIPA issued a Request for Proposals (RFP) to rebid the management contract. After a competitive procurement process, the bids were evaluated and submitted to LIPA's Board for approval in April 2025. LIPA's Board voted not to approve the recommendation to award a new Operations Services Agreement (OSA) to the proposed service provider. LIPA's management and the Board are actively evaluating the next steps.

LIPA also contracts with PSEG Energy Resources and Trade LLC (PSEG ER&T), a PSEG affiliate, to provide services related to fuel and power supply management and certain commodity activities, which expires on December 31, 2025. On May 30, 2024, LIPA issued an RFP seeking proposals to provide such services for a period of five years. On December 18, 2024, LIPA's Board approved a Power Supply Management and Fuel Supply Management Services Agreement (PSMFM Agreement) with The Energy Authority, Inc. (TEA) for a five-year term. The PSMFM Agreement has been approved by the New York State Attorney General and was approved by the New York State Comptroller in March 2025. TEA will begin providing services under the PSMFM agreements effective January 1, 2026.

LIPA separately 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 consist 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, 2025, compared to 2024 should be read in conjunction with the annual audited basic financial statements, which may be found on LIPA's website at [lipower.org](http://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 [lipower.org](http://lipower.org).

**Long Island Power Authority**  
(A Component Unit of the State of New York)

Statements of Net Position  
March 31, 2025 and December 31, 2024  
(Amounts in thousands)

	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Assets and Deferred Outflows of Resources</b>		
Current assets:		
Cash and cash equivalents	\$ 190,416	376,189
Restricted cash – working capital requirements	154,171	186,800
Restricted cash – LIPA	250,000	250,000
Restricted cash – UDSA	218,782	129,695
Investments	914,030	1,054,679
Restricted investments – working capital requirements	135,946	138,384
Counterparty collateral – posted by LIPA	—	6,794
Accounts receivable (less allowance for uncollectible accounts of \$26,303 and \$27,426 at March 31, 2025 and December 31, 2024, respectively)	517,342	554,965
Other receivables	82,889	100,132
Fuel inventory	146,638	162,797
Material and supplies inventory	135,578	134,269
Commodity derivative instruments	57,331	4,614
Regulatory assets to be recovered within one year	175,324	91,638
Prepayments and other current assets	84,393	54,459
Total current assets	<u>3,062,840</u>	<u>3,245,415</u>
Noncurrent assets:		
Utility plant and property and equipment, net	10,702,277	10,711,393
Nuclear decommissioning trust fund (NDTF)	197,744	196,288
Other long-term receivables	94,615	95,415
Unrealized charges	3,183	2,790
Financial derivative instruments	26,890	31,316
Commodity derivative instruments	15,484	12,368
Regulatory assets for future recovery	434,140	450,491
Acquisition adjustment (net of accumulated amortization)	181,920	209,764
Total noncurrent assets	<u>11,656,253</u>	<u>11,709,825</u>
Total assets	<u>14,719,093</u>	<u>14,955,240</u>
Deferred outflows of resources:		
Deferred defeasance costs on debt refunding	82,354	85,020
OPEB activities	2,637	2,660
Pension activities	1,859	1,859
Accumulated decrease in fair value of investments	—	74
Total deferred outflows of resources	<u>86,850</u>	<u>89,613</u>
Total assets and deferred outflows of resources	<u>\$ 14,805,943</u>	<u>15,044,853</u>



**Long Island Power Authority**  
(A Component Unit of the State of New York)

Statements of Net Position  
March 31, 2025 and December 31, 2024  
(Amounts in thousands)

	2025 (unaudited)	2024 (audited)
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current liabilities:		
Short-term debt	\$ 288,000	300,000
Current maturities of long-term debt	375,760	375,760
Current maturities of UDSA debt	223,965	223,965
Current portion of lease and SBITA liabilities	357,275	359,495
Counterparty collateral – held by LIPA	23,847	—
Accounts payable and accrued expenses	339,096	480,504
Regulatory liabilities payable in one year	155,164	39,369
Accrued payments in lieu of taxes	5,224	8,630
Accrued interest	69,960	72,867
Customer deposits	37,753	37,266
Total current liabilities	<u>1,876,044</u>	<u>1,897,856</u>
Noncurrent liabilities:		
Long-term debt, net and unamortized premium	5,446,287	5,477,686
Long-term UDSA debt, net and unamortized premium	3,493,097	3,503,707
Lease and SBITA liabilities	1,041,263	1,128,862
Borrowings	20,626	21,735
Operations Services Agreement – employee retirement benefits	544,986	540,749
Financial derivative instruments	31,430	27,245
Regulatory liabilities for future payment	184,746	253,213
Asset retirement obligation	110,536	109,021
Long-term liabilities and unrealized credits	30,108	37,865
Claims and damages	238,246	231,658
Total noncurrent liabilities	<u>11,141,325</u>	<u>11,331,741</u>
Total liabilities	<u>13,017,369</u>	<u>13,229,597</u>
Deferred inflows of resources:		
Regulatory credits – grants	562,815	567,603
Lease revenue	4,379	2,884
OPEB activities	2,224	2,224
Pension activities	1,019	1,019
NMP2 asset retirement obligation	9,935	10,052
Deferred defeasance costs on debt refunding	17,121	17,921
Accumulated increase in fair value of financial derivatives	26,890	31,316
Accumulated increase in fair value of commodity derivatives	7,789	11,180
Accumulated increase in fair value of OPEB dedicated account	117,553	120,935
Accumulated increase in fair value of NDTF	16,231	16,000
Accumulated increase in fair value of investments	2,170	1,297
Total deferred inflows of resources	<u>768,126</u>	<u>782,431</u>
Net position:		
Net investment in capital assets	500,480	673,045
Restricted	267,389	125,284
Unrestricted	252,579	234,496
Total net position	<u>1,020,448</u>	<u>1,032,825</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 14,805,943</u>	<u>15,044,853</u>

## Long Island Power Authority

(A Component Unit of the State of New York)

Statements of Revenues, Expenses, and Changes in Net Position  
 Three-Month Period Ending March 31, 2025 and 2024 (Unaudited)  
 (Amounts in thousands)

	2025	2024
Operating revenues – electric sales, net of uncollectible accounts expense	\$ 999,654	857,186
Operating expenses:		
Operations – power supply charge	499,226	378,709
Operations – power supply charge – property taxes	41,156	47,751
Operations and maintenance	187,736	184,911
Storm restoration	6,769	25,760
General and administrative	13,346	12,081
Depreciation and amortization	122,621	117,598
Payments in lieu of taxes and assessments	88,069	88,310
Total operating expenses	958,923	855,120
Operating income	40,731	2,066
Nonoperating revenues and expenses:		
Other income, net:		
Investment income, net	17,422	17,631
Grant income	6,140	5,864
Other	556	3,009
Subtotal	24,118	26,504
Nuclear decommissioning trust fund income	1,225	2,896
Deferred grant income amortization	4,343	4,345
Carrying charges on regulatory assets	3,136	3,672
Subtotal	8,704	10,913
Total other income, net	32,822	37,417
Interest charges and (credits):		
Interest on debt	102,208	105,284
Other interest	3,143	2,822
Other interest amortizations	(19,421)	(19,285)
Total interest charges, net	85,930	88,821
Change in net position	(12,377)	(49,338)
Net position, beginning of year	1,032,825	827,421
Net position, end of period	\$ 1,020,448	778,083

**Long Island Power Authority**  
(A Component Unit of the State of New York)

Statements of Cash Flows  
Three-Month Period Ending March 31, 2025 and 2024 (Unaudited)  
(Amounts in thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Operating revenues received	\$ 1,077,902	945,147
Payments to suppliers and employees:		
Operations and maintenance	(271,591)	(206,949)
Operations – power supply charge	(492,049)	(405,401)
Operations – power supply charge – property tax related	(41,156)	(47,751)
Payments-in-lieu-of-taxes	(161,460)	(156,194)
Collateral on commodity derivative transactions, net	30,641	27,408
PSEG Long Island pension funding	(5,850)	(6,300)
Net cash provided by operating activities	<u>136,437</u>	<u>149,960</u>
Cash flows from investing activities:		
Earnings received on investment income	13,014	14,080
Sale of investment securities	145,159	75,049
Sale of restricted investment securities – working capital investments	2,439	123
Purchase of investment securities – OPEB Account	(2,751)	(9,000)
Net cash provided by investing activities	<u>157,861</u>	<u>80,252</u>
Cash flows from noncapital financing related activities:		
Grant proceeds	5,000	5,000
Proceeds from credit facility draws and commercial paper program	—	165,000
Redemption of credit facility draws and commercial paper program	(12,000)	—
Other interest costs	(2,847)	(1,668)
Interest paid - LIPA	(4,520)	(7,547)
Net cash (used in) provided by noncapital financing related activities	<u>(14,367)</u>	<u>160,785</u>
Cash flows from capital and related financing activities:		
Capital expenditures	(163,583)	(180,582)
Lease and SBITA payments	(120,381)	(101,658)
Other interest costs	(2,198)	(852)
Interest paid – LIPA	(98,090)	(89,857)
Early defeasance of long-term debt – LIPA	(24,994)	—
Net cash used in capital and related financing activities	<u>(409,246)</u>	<u>(372,949)</u>
Net (decrease) increase in cash and cash equivalents	<u>(129,315)</u>	<u>18,048</u>
Cash and cash equivalents at beginning of year	<u>942,684</u>	<u>1,010,075</u>
Cash and cash equivalents at end of period	<u>\$ 813,369</u>	<u>1,028,123</u>



**Long Island Power Authority**  
(A Component Unit of the State of New York)

Statements of Cash Flows  
Three-Month Period Ending March 31, 2025 and 2024 (Unaudited)  
(Amounts in thousands)

	<u>2025</u>	<u>2024</u>
Reconciliation to net cash provided by operating activities:		
Operating income	\$ 40,731	2,066
Adjustments to reconcile operating income to net cash provided by operating		
Depreciation and amortization	122,622	117,598
Nuclear fuel burned	2,442	2,147
Shoreham and VBA surcharges	12,845	10,935
Accretion of asset retirement obligation	72	68
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for uncollectible accounts	55,666	22,013
Regulatory assets and liabilities	(91,557)	(59,392)
Fuel and material and supplies inventory	14,850	(112)
Accounts payable, accrued expenses, and other	(21,234)	54,637
Net cash provided by operating activities	<u>\$ 136,437</u>	<u>149,960</u>

**Long Island Power Authority**

(A Component Unit of the State of New York)

Management's Discussion and Analysis (Unaudited)

Three-Month Period Ended March 31, 2025

**Financial Condition Overview****Three-Month Period ended March 31, 2025 compared to 2024****Change in Net Position**

Net position decreased \$12 million for the three-month period ended March 31, 2025, compared to the decrease for the three-month period ended March 31, 2024 of \$49 million.

**Operating Revenues**

Operating revenue increased \$142 million compared to the three-month period of 2024, primarily due to (i) an increase in the Power Supply Charge and (ii) an increase in base delivery revenue.

**Operating Expenses**

Power supply costs, including property taxes, increased \$114 million compared to the same three-month period of 2024 primarily related to higher commodity prices.

Operations and maintenance expenses increased \$3 million compared to the same three-month period in 2024 due to higher preventive maintenance activities and higher information technology software costs.

Storm restoration expenses decreased \$19 million compared to the same three-month period of 2024 due to a lower level of storm activity. PSEG Long Island responded to four major storms through March 2025, none of which included mutual aid assistance, compared with five major storm events through March 2024, two of which included mutual aid assistance.

Depreciation and amortization increased by \$5 million compared to the same three-month period of 2024 due to higher utility plant balances.

**Non-Operating Revenues and Expenses**

Other income decreased \$5 million compared to the same three-month period of 2024 primarily due to a one-time property damage settlement received in 2024 and lower realized capital gains in the Nuclear Decommissioning Trust Fund.

Interest charges and (credits) decreased \$3 million compared to the same three-month period of 2024, primarily due to lower interest expenses resulting from lower debt outstanding.

## Long Island Power Authority

(A Component Unit of the State of New York)

Management's Discussion and Analysis (Unaudited)

Three-Month Period Ended March 31, 2025

## 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, 2025 and December 31, 2024, LIPA's available sources of liquidity for operating purposes and capital program funding, as displayed below, exceeded the policy target.

	March 31, 2025	Days Cash	December 31, 2024	Days Cash
<b>Operating liquidity</b>				
Unrestricted cash, cash equivalents, and investments	\$ 363,912		694,845	
OPEB Account cash, cash equivalents, and investments	740,534		736,023	
PSEG Long Island working capital requirements	269,400		304,612	
<b>Total operating liquidity</b>	<b>1,373,846</b>	<b>148</b>	<b>1,735,480</b>	<b>189</b>
<b>Available credit</b>				
General Revenue Notes – Revolving Credit Facility	200,000		200,000	
General Revenue Notes – Commercial Paper	712,000		700,000	
<b>Total available credit</b>	<b>912,000</b>		<b>900,000</b>	
<b>Total cash, cash equivalents, investments, and available credit</b>	<b>\$ 2,285,846</b>	<b>246</b>	<b>2,635,480</b>	<b>287</b>
<b>Restricted cash and cash equivalents</b>				
Clean Energy Compliance Fund	20,717		20,572	
Extraordinary working capital	250,000		250,000	
UDSA	218,782		129,695	
<b>Total restricted cash and cash equivalents</b>	<b>\$ 489,499</b>		<b>400,267</b>	

## Long Island Power Authority

(A Component Unit of the State of New York)

Management's Discussion and Analysis (Unaudited)

Three-Month Period Ended March 31, 2025

**Consolidated Debt**

LIPA's consolidated debt as of March 31, 2025 and December 31, 2024 is comprised of the following:

*(amounts in thousands)*

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Long-term debt:		
General revenue bonds/notes	\$ 5,406,857	5,428,558
Unamortized premiums	415,190	424,888
Less: Current maturities	(375,760)	(375,760)
	<u>5,446,287</u>	<u>5,477,686</u>
UDSA restructuring bonds	3,451,555	3,451,555
Unamortized premiums	265,507	276,117
Less: Current maturities	(223,965)	(223,965)
	<u>3,493,097</u>	<u>3,503,707</u>
Total Long-term debt	<u>\$ 8,939,384</u>	<u>8,981,392</u>
Short-term debt:		
General Revenue Notes - Commercial Paper	\$ 288,000	300,000
Total Short-term debt	<u>\$ 288,000</u>	<u>300,000</u>

## Long Island Power Authority

(A Component Unit of the State of New York)

Management's Discussion and Analysis (Unaudited)  
Three-Month Period Ended March 31, 2025

## 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 \$67 million primarily due to an increase in power supply charges to be recovered from customers. Regulatory liabilities increased \$47 million primarily due to an increase in unrealized commodity derivative gains which are deferred until settled.

	March 31, 2025			December 31, 2024		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Regulatory assets:						
OSA – employee retirement benefits	\$ 8,786	—	8,786	9,381	—	9,381
Shoreham property tax settlement	53,628	179,367	232,995	52,495	190,238	242,733
Property tax litigation	—	191,106	191,106	—	185,517	185,517
Delivery service adjustment	5,447	—	5,447	3,913	1,780	5,693
Employee benefit plan settlement	11,725	—	11,725	15,634	—	15,634
Power supply charge recoverable	69,533	24,758	94,291	5,866	25,830	31,696
Debt issuance costs	2,011	13,134	15,145	2,038	13,625	15,663
Revenue decoupling mechanism	18,980	—	18,980	—	12,074	12,074
Southampton visual benefit assessment	1,224	1,927	3,151	1,223	2,170	3,393
Unrealized financial derivative losses	—	23,848	23,848	—	19,257	19,257
Unrealized commodity derivative losses	—	—	—	1,088	—	1,088
New York State assessment	3,990	—	3,990	—	—	—
Total regulatory assets	\$ 175,324	434,140	609,464	91,638	450,491	542,129
Regulatory liabilities:						
OSA – employee retirement benefits	—	145,005	145,005	900	142,580	143,480
Revenue decoupling mechanism	878	—	878	878	—	878
Utility 2.0	4,746	4,962	9,708	6,327	5,195	11,522
Power supply charge refundable	—	20,717	20,717	11,505	20,572	32,077
Distributed energy resources	1,883	—	1,883	1,794	—	1,794
Delivery service adjustment	89,945	—	89,945	10,564	77,976	88,540
Clean energy initiatives	6,746	—	6,746	6,746	—	6,746
Unrealized commodity derivative gains	50,966	14,062	65,028	—	6,890	6,890
New York State assessment	—	—	—	655	—	655
Total regulatory liabilities	\$ 155,164	184,746	339,910	39,369	253,213	292,582

Marine Parkway Bridge | Far Rockaway, New York

Learn more at [lipower.org/investors](https://lipower.org/investors)

