



August 2025 Financial Results

Finance and Audit Committee

September 25, 2025

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



LIPA Consolidated Results – August 2025

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget¹</u>
Revenues	\$3,115,810	\$3,036,053	\$79,757	2.6%	\$4,336,666
Power Supply Charge	1,579,271	1,444,326	(134,945)	-9.3%	2,068,435
Revenue Net of Power Supply Charge	1,536,539	1,591,727	(55,188)	-3.5%	2,268,231
PSEG Long Island Operating and Managed Expenses					
PSEG Long Island Operating Expenses	451,189	454,022	2,833	0.6%	692,937
PSEG Long Island Managed Expenses	58,777	101,239	42,461	41.9%	156,243
Utility Depreciation	241,555	244,738	3,182	1.3%	374,821
PILOTs	236,298	235,653	(645)	-0.3%	350,907
LIPA Operating Expenses	64,541	67,938	3,396	5.0%	120,328
LIPA Depreciation and Amortization	92,333	92,446	113	0.1%	138,669
Interest Expense	237,359	250,491	13,132	5.2%	374,203
Total Expenses	\$1,382,053	\$1,446,525	\$64,473	4.5%	2,208,109
Other Income and Deductions	58,418	47,296	11,121	23.5%	74,103
Grant Income	23,370	23,146	224	1.0%	39,719
Total Non-Operating Revenue	\$81,788	\$70,442	\$11,346	16.1%	\$113,822
Change in Net Position	\$236,274	\$215,644	\$20,631	9.6%	\$173,945

Note: Variance - favorable/(unfavorable)

¹ LIPA transferred \$7M for IT to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

LIPA Managed Expenses & Income – August 2025

- LIPA Operating expense is under budget \$3M due to lower 2024 PSEGLI Incentive Compensation incurred, lower IT related consulting expense and lower employee related benefits.
- Interest expense is under budget \$13M due to lower interest rates and outstanding balances for short term debt coupled with lower than budgeted interest rates for long term debt.
- Other income and deductions are favorable against the budget by \$10M due to (i) higher than budgeted funds in the rate stabilization, UDSA and construction accounts providing additional income of \$5M, and (ii) higher dividends of \$4M on the OPEB Dedicated Account.

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget¹</u>
LIPA Expenses					
LIPA Operating Expenses	\$64,541	\$67,938	\$3,396	5.0%	\$120,328
LIPA Depreciation and Amortization	75,656	75,770	113	0.1%	113,655
LIPA Deferred Amortized Expenses	16,676	16,676	-	0.0%	25,014
Interest Expense, other Interest Costs and Interest Amortizations	237,359	250,491	13,132	5.2%	374,203
Total Expenses	\$394,233	\$410,874	\$16,641	4.1%	\$633,200
Other Income and Deductions	39,330	29,430	9,901	33.6%	48,096
Grant Income	23,370	23,146	224	1.0%	39,719
Total Income	\$62,701	\$52,575	\$10,125	19.3%	\$87,815
LIPA Capital	\$486	\$550	\$64	11.7%	\$6,000

Note: Variance - favorable/(unfavorable)

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LIPA Liquidity Position – August 2025

<i>(\$ in thousands)</i>	August 31, 2025	Days Cash	July 31, 2025	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 844,464		\$ 366,210	
OPEB Account cash, cash equivalents, and investments	826,377		806,871	
PSEG Long Island working capital requirements	260,983		263,842	
Total operating liquidity	1,931,824	208	1,436,923	155
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	547,000		547,000	
Total available credit	747,000		747,000	
Total cash, cash equivalents, investments, and available credit	\$ 2,678,824	289	\$ 2,183,923	235
Restricted cash and cash equivalents				
Clean Energy Compliance Fund	20,948		20,908	
Extraordinary working capital	250,000		250,000	
UDSA	167,606		131,091	
Total restricted cash	\$ 438,554		\$ 401,999	

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

PSEG Long Island Operating Expenses – August 2025

Total expense is under budget by \$3M primarily due to:

- T&D is over budget by (\$12M) due to timing of Vegetation Management of (Distribution Tree Trim, Customer Work, and Storm Hardening) and Corrective Maintenance (Dayton Tower Cable Repair and the Valley Stream Non-Toxic Spill remediation).
- Asset Management is under budget by \$3M due to lower consultant/contractor costs, lower staffing levels due to timing of new hires.
- Construction & Ops Services is under budget by \$7M driven by lower National Grid operating expenses related to facility leases including a true-up credit for 2019-2021, lower spending on outside services and planned trainings postponed to the third quarter.
- Customer Service is under budget by \$3M primarily due to lower vendor costs in Customer Technology and vacancies in Revenue Operations, most of which are expected to be filled.
- IT & Cyber are under budget by \$3M due to delays in consultant expense timeline as well as labor challenges in hiring qualified candidates.
- Business Services is over budget by (\$7M) due to the trending of potential cost-saving strategies pending in the budget.
- Energy Efficiency is under budget by \$4M due to the customer mix of rebate applications, which has skewed lower cost measures compared to those assumed in the plan. Despite the lower spending, energy savings are exceeding the year-to-date goals.

(\$ in thousands)

PSEG Long Island Operating Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget ¹
Transmission & Distribution	\$143,174	\$131,080	(\$12,094)	-9.2%	\$195,460
Asset Management & Reliability	6,849	9,667	2,819	29.2%	13,425
Construction & Operations Services	25,262	32,675	7,413	22.7%	48,115
Customer Services	81,320	84,130	2,810	3.3%	126,939
Information Technology & Cybersecurity	62,717	66,177	3,460	5.2%	107,427
Business Services	51,206	43,980	(7,226)	-16.4%	68,949
Power System Management	13,790	15,253	1,463	9.6%	23,009
Energy Efficiency & Renewable Energy	61,050	64,667	3,617	5.6%	95,903
Utility 2.0	5,821	6,392	570	8.9%	13,710
Total PSEG Long Island Operating Expenses	\$451,189	\$454,022	\$2,833	0.6%	\$692,937

Note: Variance - favorable/(unfavorable)

¹ LIPA transferred \$7M 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 – August 2025

- Uncollectible Accounts is under budget by \$2M due to an actual write off rate of 0.45% compared to the budgeted rate of 0.54%.
- Storm Restoration is under budget by \$37M due to lower storm activity. Nine storms were incurred, none of which required mutual aid assistance.
- Utility Depreciation is under budget by \$3M due to the delayed timing of IT projects being placed in service.
- Pension & OPEB expense is under budget by \$3M due to discount rate updates in the actuarial models.

(\$ in thousands)

PSEG Long Island Managed Expenses

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
Uncollectible Accounts	\$13,500	\$15,745	\$2,245	14.3%	\$23,412
Storm Restoration	14,886	52,177	37,291	71.5%	83,500
NYS Assessment	7,435	8,532	1,096	12.9%	12,237
Utility Depreciation	241,555	244,738	3,182	1.3%	374,821
Pension & OPEB Expense	19,676	22,402	2,726	12.2%	33,629
PILOTs - Revenue-Based Taxes	32,322	32,359	37	0.1%	45,965
PILOTs - Property-Based Taxes	203,976	203,294	(682)	-0.3%	304,941
PSEGLI Managed - Misc	3,280	2,382	(897)	-37.7%	3,465
Total PSEG Long Island Managed Expenses	\$536,630	\$581,629	\$44,999	7.7%	\$881,971
Other Income & Deductions	\$19,087	\$17,867	\$1,221	6.8%	\$26,007

Note: Variance - favorable/(unfavorable)

PSEG Long Island Revenue – August 2025

- Revenue, net of PSCs, is (\$55M) lower than budget primarily due to DSA Storm of (\$37M) resulting from lower storm activity and DSA Debt Service Deferral of (\$10M) resulting from lower than budgeted interest rates combined with lower short-term debt balances outstanding.

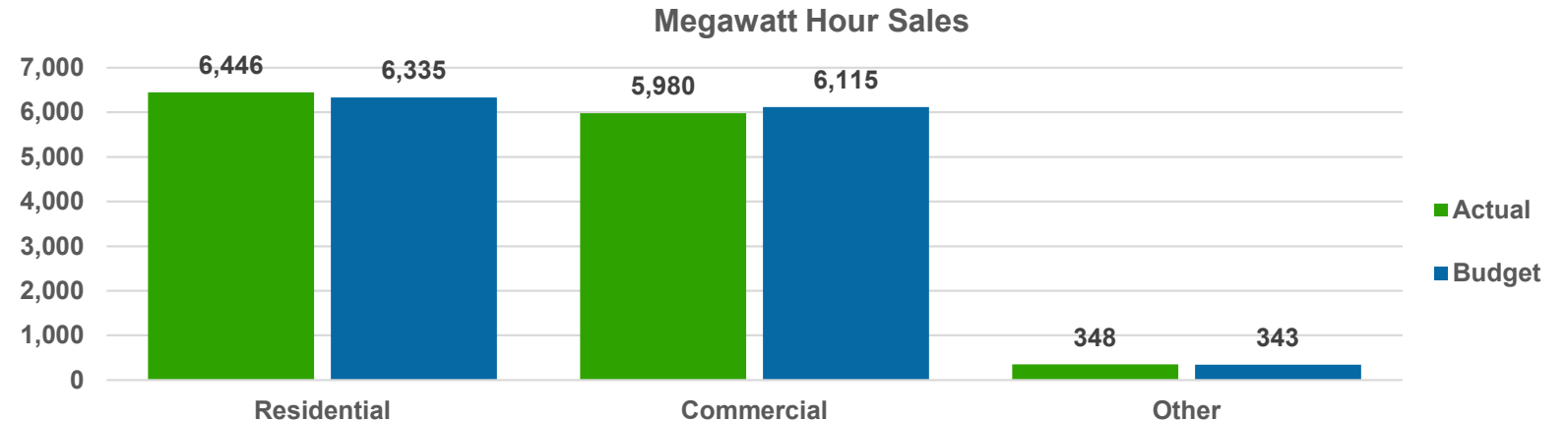
- Power Supply Charge is (\$135M) higher than budget primarily due to higher natural gas and oil purchases and higher commodity prices.

- Total Sales of electricity are lower than budget due to Commercial Sales impacted by weak growth in the local economy partially offset by higher Residential Sales.

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	Budget
Revenues	\$3,115,810	\$3,036,053	\$79,757	2.6%	\$4,336,666
Power Supply Charge	\$1,579,271	\$1,444,326	(\$134,945)	-9.3%	\$2,068,435
Revenue Net of Power Supply Costs	\$1,536,539	\$1,591,727	(\$55,188)	-3.5%	\$2,268,231

Note: Variance - favorable/(unfavorable)



Capital Expenditures – August 2025

- T&D is under budget by \$39M primarily due to:
 - \$38M underspend related to construction, material and permitting delays, which have pushed milestones to later in the year or the following year.
 - \$27M cost savings variance occurred due to favorable vendor contracts.
 - The underrun is partially offset by reactive emergent work of (\$26M).
- Other General Plant is under budget by \$25M due to the delayed commencement of the Medford facility development.
- Fleet is under budget by \$3M due to delayed delivery of vehicles until December and into 2026.
- Property Acquisition is under budget by \$3M due to timing of land purchase.
- Utility 2.0 is under budget by \$2M due to lower level of lease prospects for the EV Make Ready Program.
- FEMA Storm Hardening is under budget by \$5M due to a later than planned construction start for the Isaias project.
- Capital Storm is over budget by (\$5M) primarily due to the higher number of transformers replaced during the extreme heat event in June.

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget ¹
Transmission and Distribution					
Load Growth	116,132	131,096	14,964	11.4%	191,477
Reliability	205,765	217,320	11,555	5.3%	316,082
Storm Hardening	47,137	48,984	1,846	3.8%	52,732
Economic, Salvage, Tools, Equip & Other	25,294	35,835	10,541	29.4%	52,989
Total T&D Projects	\$394,329	\$433,235	\$38,906	9.0%	\$617,375
Other PSEG Long Island Capital Expenditures					
Information Technology Projects ¹	57,992	59,399	1,406	2.4%	70,774
Information Technology - Cyber Security ¹	3,824	4,016	192	4.8%	6,268
Customer Operations ¹	4,265	5,553	1,288	23.2%	9,114
Other General Plant	903	25,901	24,998	96.5%	58,009
Fleet	120	3,532	3,411	96.6%	15,253
Offshore Wind Transmission	10,009	10,287	279	2.7%	15,401
Property Acquisition	235	3,565	3,330	93.4%	29,240
Utility 2.0	4,861	7,163	2,301	32.1%	13,237
Total T&D and Other Projects	476,538	552,650	\$76,112	13.8%	834,674
FEMA Storm Hardening	4,585	9,178	4,593	50.0%	36,677
Capital Storm	6,578	2,021	(4,557)	-225.4%	3,340
Total PSEG Long Island Capital	\$487,702	\$563,850	\$76,148	13.5%	\$874,690
Management Fee	24,210	23,361	(849)	-3.6%	35,102
Pending Project Authorization Funds	-	32,695	32,695	100.0%	85,845
Nine Mile Point 2	3,200	2,845	(355)	-12.5%	4,268
LIPA Capital	486	550	64	11.7%	6,000
Total Capital Expenditures	\$515,597	\$623,301	\$107,704	17.3%	\$1,005,906

Note: Variance - favorable/(unfavorable)

¹ In 2025 YTD, LIPA released \$15M for T&D, \$29M for IT projects, \$4M for Cyber projects, \$6M for Customer Operations projects, \$1M for Other General Plant projects, \$2M for Fleet, \$4M for FEMA and \$29M for Property Acquisition originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

PSEG Long Island Major Capital Expenditures – Over \$25M

(Total Project Cost) – August 2025

Description	Original Total Project \$M		Total Project Actuals Through 8/31/25 (\$M)	Current Working Estimate (\$M)	Spend Progress	Current Estimated Completion Date
	Cost Estimate	Date of Cost Estimate				
Belmont: Convert substation from 33 kV to 69 kV	\$131	2021	\$48	\$52	92%	Dec-25
Bridgehampton to Buell: Transmission	\$46	2017	\$31	\$63	49%	Dec-25
System Separation	\$21	2022	\$67	\$75	88%	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	\$6	\$28	23%	Jun-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$6	\$73	9%	Dec-26
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$1	\$42	1%	Dec-27
Transmission Operations Control Room Facility Replacement	\$84	2018	\$7	\$113	5%	Dec-27
Rockville Centre Load Pocket	\$37	2022	\$0	\$36	0%	Jun-28
Lindbergh: Substation Expansion	\$60	2024	\$0	\$60	0%	Jun-28
Enterprise Asset Management System	\$48	2022	\$5	\$61	8%	Dec-28
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$4	\$51	8%	Apr-29
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$38	0%	Jun-29
East Garden City Install Reactors on 138kV circuits (138-462/463)	\$14	2023	\$1	\$25	3%	Dec-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$4	\$49	8%	Dec-29
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$2	\$102	2%	Dec-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$1	\$46	3%	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	\$37	0%	Dec-30
Transmission Operations Alternate Control Room Facility	\$69	2023	\$0	\$68	0%	Dec-33
Substation Security Expansion Project	\$53	2017	\$32	\$152	21%	Dec-33
Total	\$1,294		\$215	\$1,397		

- **Belmont: Convert substation from 33 kV to 69 kV Project**
 - Installs two circuits from Lake Success to Belmont.
 - Supply the proposed load additions in Belmont area especially by the Belmont UBS arena.
- **Bridgehampton to Buell: Transmission Project**
 - Install approximately 7.5 miles of 69kV cables between the Bridgehampton and Buell substations, through Sag Harbor 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 1: SAP and Ancillary ERP Systems was implemented successfully in April 2025. Bundles 2-4 are in progress. ServiceNow form Bundle 3 was completed successfully in June 2025.
- **North Bellmore Install 33 MVA Bank, Switchgear, Feeders & Conversion and Reinforcement (C&R)**
 - Install 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**
 - Multi-year plan to install a centralized communications systems at substations.

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

Questions?

Donna Mongiardo
CFO

lipower.org

