# PSEG Long Island Update

## *Operating Report – June 2026*

**LIPA Board of Trustees Meeting**

June 24, 2026


**Presenters:**

Scott Jennings
*President and Chief Operating Officer, PSEG LI*

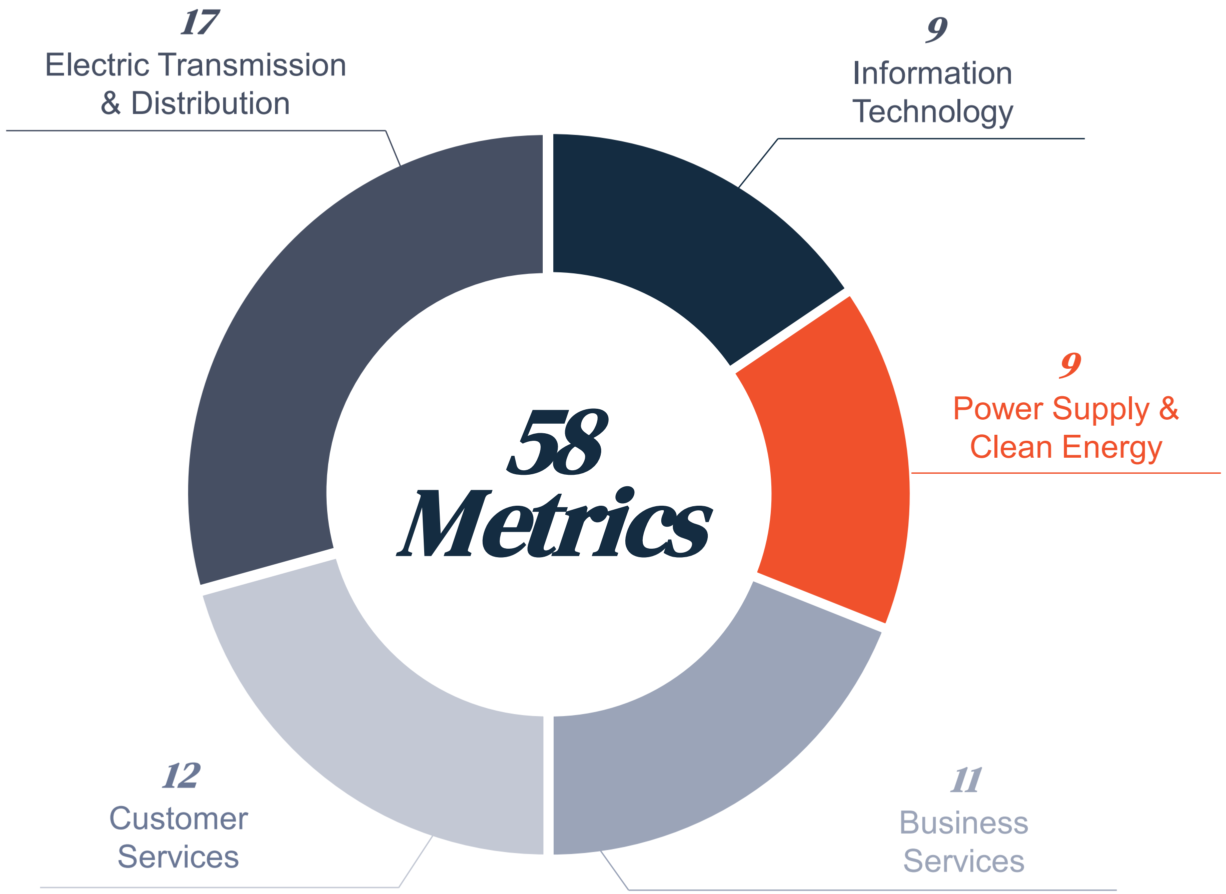
Sonny Chung
*Vice President, Business Services*

John McCumiskey
*Senior Director, Asset Management & Engineering*

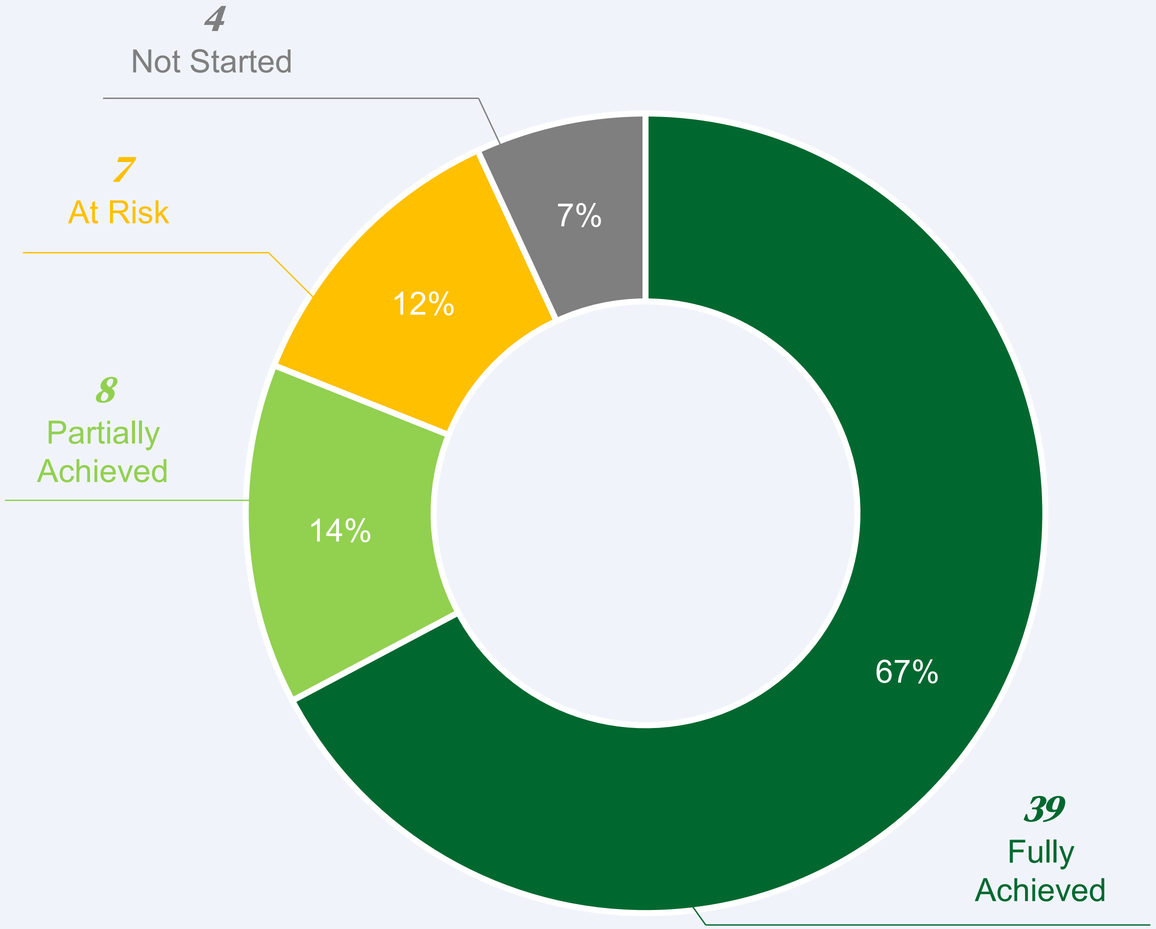
# 2026 Performance *April 2026 YTD*

***We are executing effectively against stretch targets across operational, safety, customer, affordability, clean energy and technology priorities.***

## *Metrics by Scope Function*




## *Forecasted Performance*



# 2026 Performance Update

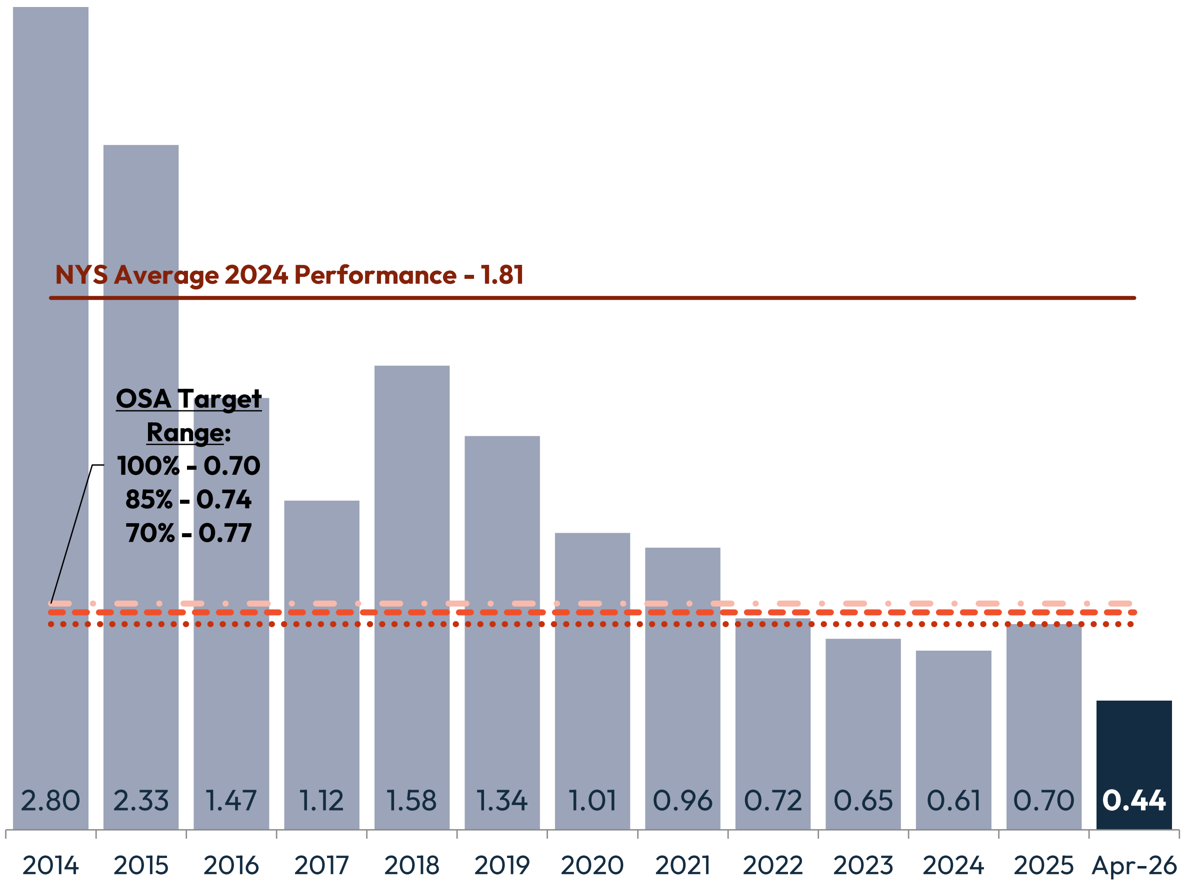
## *Safety Performance*

- ***#1 Performance in New York State as measured by OSHA Recordable Incident Rate***
- Sustained ***top 10% performance*** in safety as measured by OSHA Recordable Incident Rate in alignment with LIPA's Board Policy
- ***84% improvement*** in OSHA Recordable Incident Rate since 2014
- ***Zero*** Employee and Contractor SIF incidents year-to-date
- ***Greater than 50% reduction*** in Motor Vehicle Accidents Rate per 1M miles driven since 2014

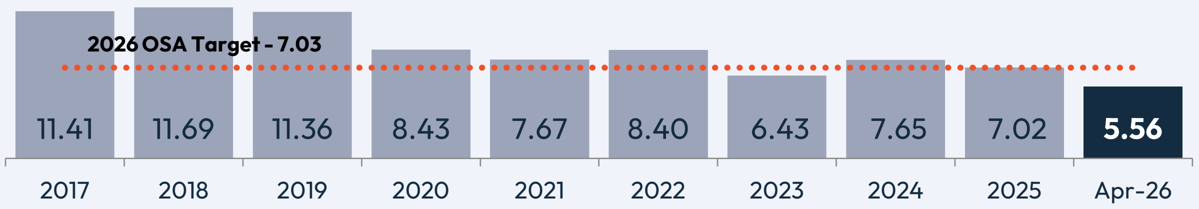
# Selected Metric Highlights

*Safety Performance*

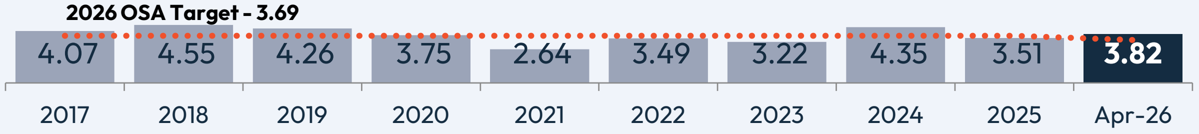
## OSHA Recordable Incident Rate



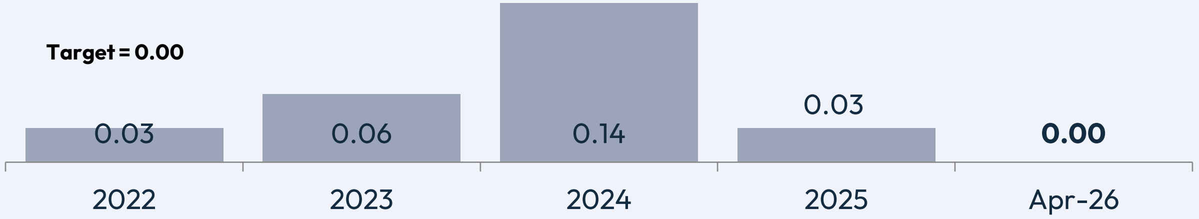

## Motor Vehicle Accident Rate – All In



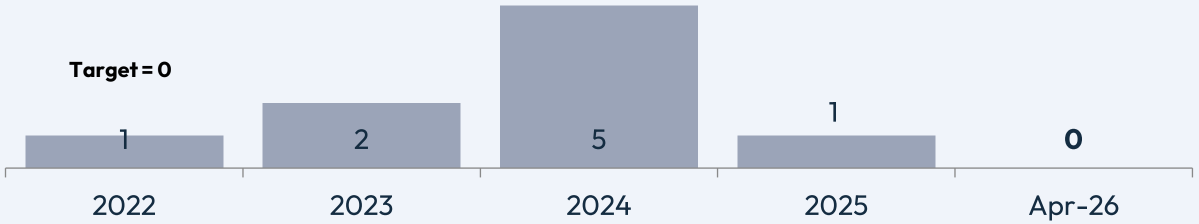

## Motor Vehicle Accident Rate – Preventable




## Serious Injury Incident Rate




## Serious Injuries - # of Incidents



# 2026 Performance Update

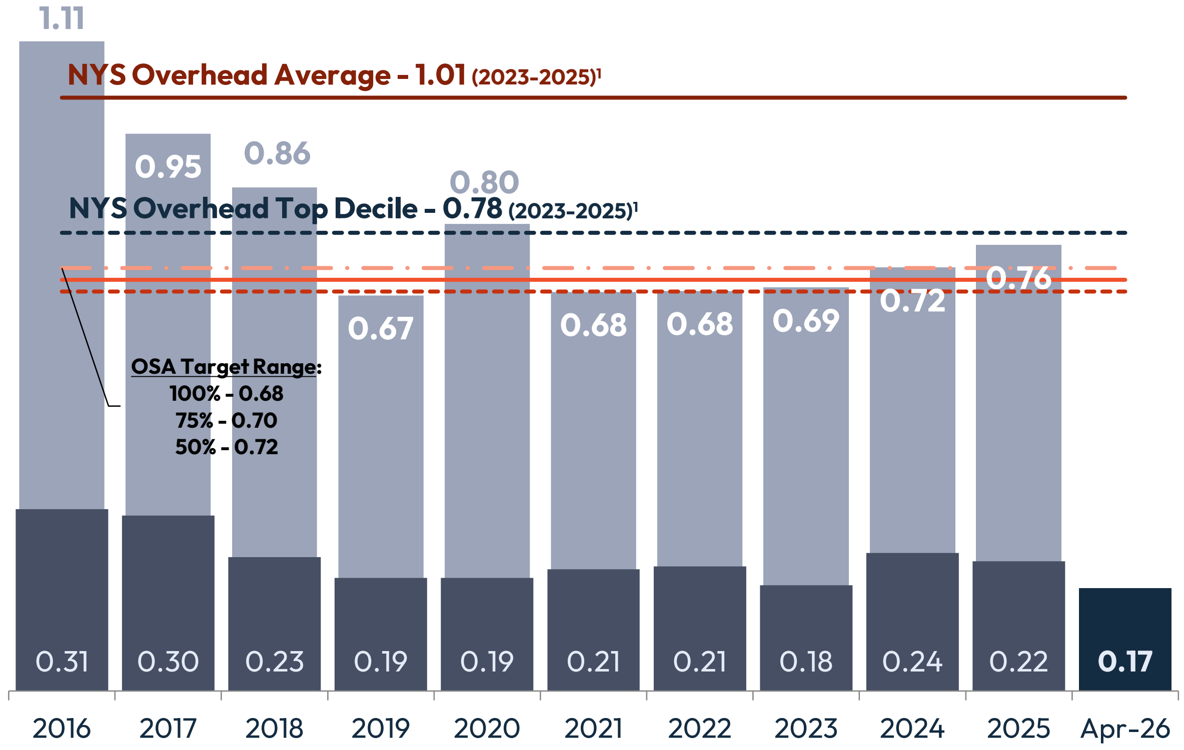
## *Electric Reliability Performance*

- ***Most reliable*** overhead electric system in NYS as measured by SAIDI, SAIFI and CAIDI
- ***Sustained top 10%*** performance in electric reliability as measured by SAIDI in alignment with LIPA's Board Policy
- ***Best MAIFI performance YTD on record*** – > 70% reduction in customer experienced momentary outages
- ***Lowest frequency of outages sustained (SAIFI) and momentary (MAIFI)*** YTD since PSEG Long Island has taken over operations
- ***~80% of customers*** have not had a sustained outage YTD.

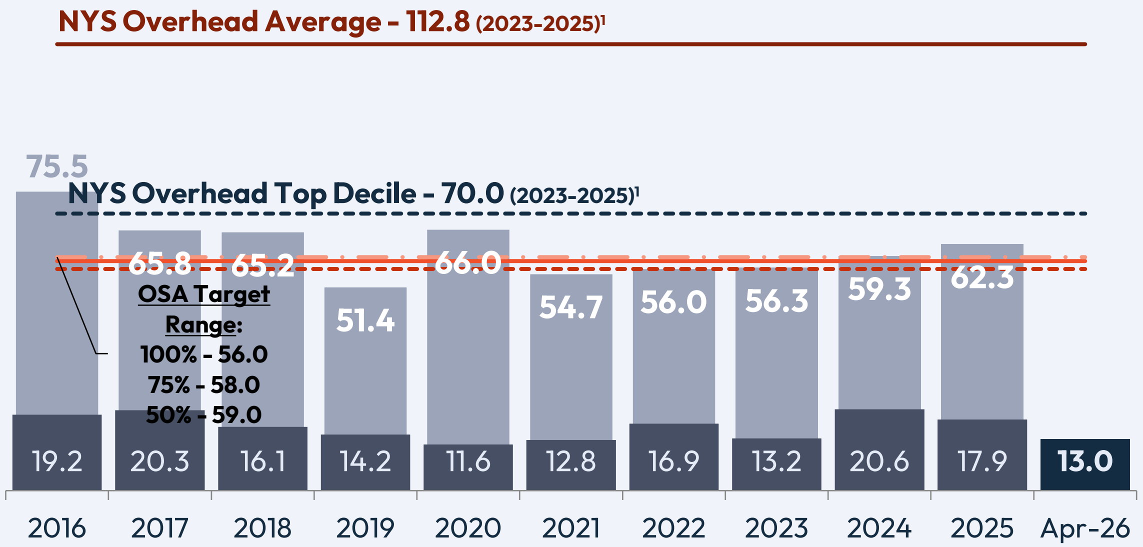
# Selected Metric Highlights

## *Reliability Performance*

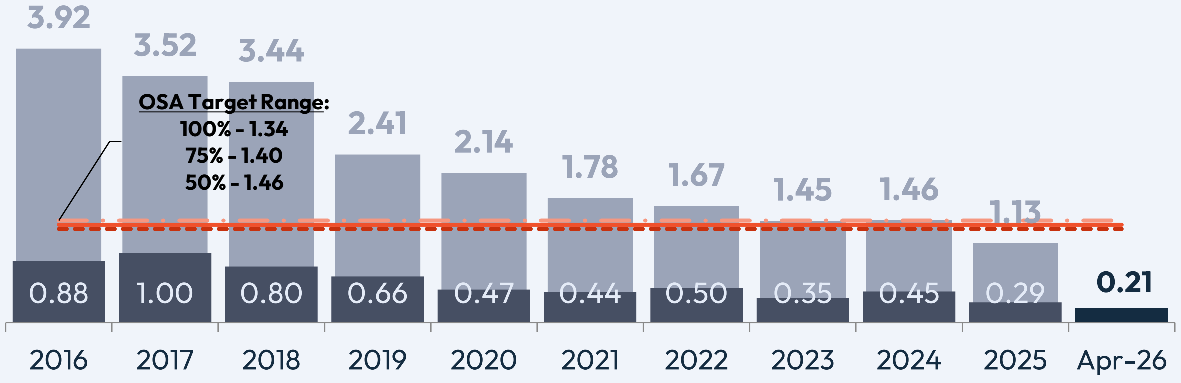
### System Average Interruption Frequency Index (SAIFI)




### System Average Interruption Duration Index (SAIDI)




### Momentary Average Interruption Frequency Index (MAIFI)



# 2026 Performance Update

## *Customer Services, Clean Energy and Affordability Performance*

- ***Flat O&M and Capital spend continues to support our affordability goals***
- ***#1 Customer Satisfaction in New York State*** for Residential and Business Customers as Measured by J.D. Power
- ***~22% year-over-year increase*** in customers receiving payment assistance through LMI discounted rate – ***Exceeding 47.5K customers and OSA target***
- ***Greater than 95%*** Customer Retention on TOD Rates
- ***Greater than 65%*** of EE Rebates, Incentives and direct services expended in Disadvantaged Communities
- ***Lowest Complaint Rate*** per 100k Customers compared to NYS peer utilities
- ***Greater than 80%*** of Calls Answered by a Live Call Center Agent within 30 seconds and calls being resolved on first interaction

# Strong, Measurable *Customer Satisfaction*

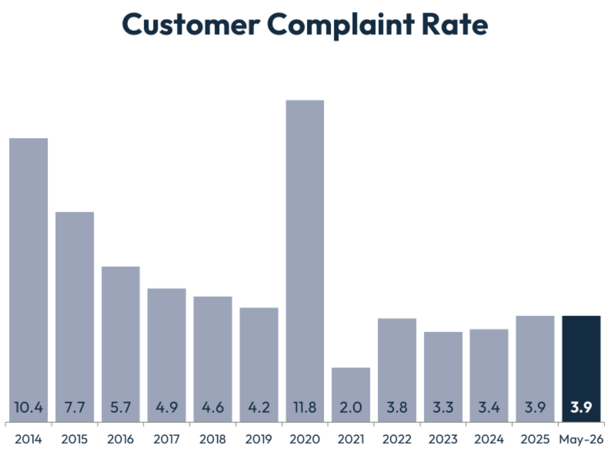
***Lowest Complaint Rate in NYS, rate reduced by more than 60% since PSEG Long Island took over in 2014***

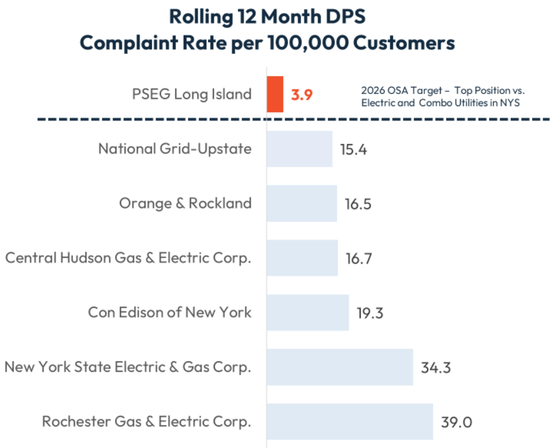
***Highest Customer Satisfaction in NYS***
*(most improved in country since PSEG Long Island took over)*

## Operating Performance *Customer Satisfaction*

***Lowest DPS Complaint Rate per 100K Customers in New York State***

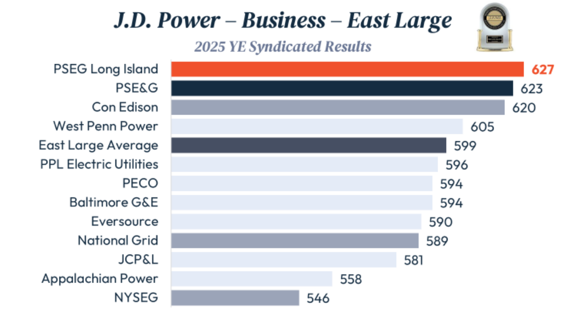
- Lowest complaint rate vs. peer utilities in NYS by ~4 times
- Lowest complaint rate peer NYS utilities for 10 out of 12 years under the OSA

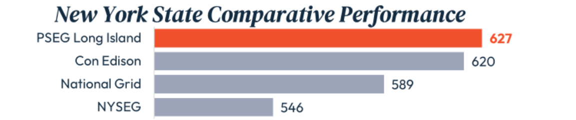


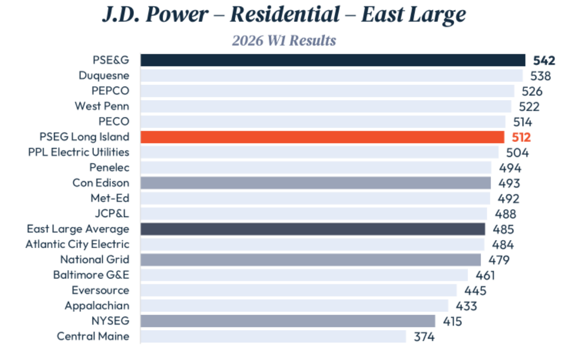

## Operating Performance *Customer Satisfaction*

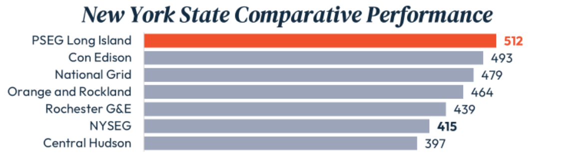
***#1 Large Utility in the East in J.D. Power Business and #1 Utility in NYS***



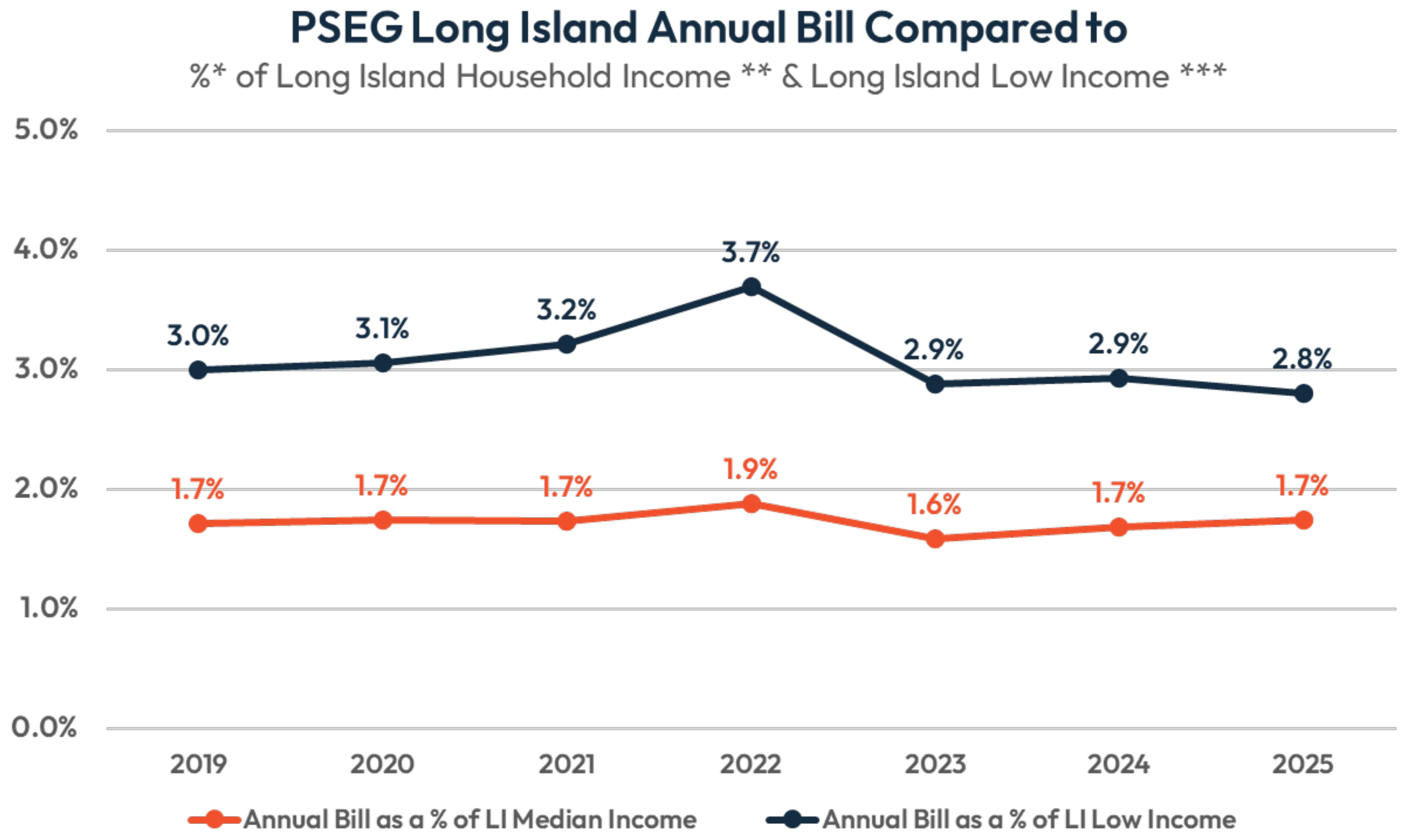

*PSEG Long Island went from worst to first in J.D. Power Large East Business Segment from 2014 to 2025 and was the most improved utility nationwide in Resident performance*



# PSEG Long Island *Residential Bills*

## *Share of Wallet of 1.7% for the average customer & 2.8% for the average low-income customer*




**Footnotes:**

* The average monthly bill times 12 months applied to annual low & median household income.

** Moody's Median Household Income data on Long Island

*** Low Income defined as per HEAP program guidelines-based U.S. Census Bureau data, the average people per household on Long Island is three (3).

## *Affordability*

PSEG Long Island Residential bills as a percentage of Household Income have been steady for all customers over the last 7 years.

- *Recent bill increases due to the Power Supply Charge, are a direct pass through to customers due to higher energy prices during the extreme cold.**
- *Long Island is growing short on generation supply and will need to add firm generation on Island to meet customer demand.*

*PSEG LI does not control fuel prices or wholesale electricity markets. These costs are passed through directly to customers without markup.

# PSEG Long Island *Residential Bills*

## *Average Bill Comparison vs. Regional Peers*

### Average Bill Comparison – 750kWh (2014-2026)

| Company | 2014 | 2026* (Initial Budget) | CAGR (2014-2026) |
|---|---|---|---|
| Orange and Rockland | $170 | $192 | 1.1% |
| **LIPA/PSEG Long Island** | **$152** | **$203** | **2.4%** |
| PSE&G | $134 | $197 | 3.6% |
| National Grid (Niagara Mohawk) | $102 | $150 | 3.6% |
| Central Hudson | $138 | $206 | 3.7% |
| Con Edison | $180 | $270 | 3.8% |
| United Illuminating | $167 | $262 | 4.2% |
| CL&P (Eversource) | $139 | $225 | 4.5% |
| Rochester G&E | $103 | $175 | 4.9% |
| NYSEG | $91 | $180 | 6.4% |

**Inflation** (Consumer Price Index)
CAGR (2014-2026)
*2.54%*

**Notes:**
1. Analysis uses 750kWh monthly usage based on residential rates in effect December 31
2. Based on available utility tariff data posted on company websites and filed with PUC of each company's jurisdiction

***PSEG LI's average bill growth is below inflation and one of the lowest in New York State and the region due to cost control when compared to peer utilities since 2014.***

*PSEG Long Island bills are lower than* ***Con Edison, Central Hudson, CL&P and United Illuminating***

*2026 average bill based on initial budget – not inclusive of power supply volatility

# 2026 Performance Update

## *Business Services and Information Technology Performance*

- ***Enhanced financial metrics*** focused on: zero-based budget discipline, improved variance-reduction standards and enhanced tracking of productivity gains and savings
- ***100% System Reliability*** for all Tier 0-Tier 3 IT Applications
- Exceeding all sub-targets for IT Service Management
- Implementing enhancements for Business Continuity Planning, Disaster Recovery and Ransomware Readiness

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# Thank *you*

# Appendix

# Summarized Performance by Scope Function

## *Electric T&D*

| Metric # | Metric Name | Metric Type | YTD Actual | YE Target | Forecast Status |
|---|---|---|---|---|---|
| T&D-06 | Primary Transmission Control Center (PTCC) Replacement | Qualitative | 20% | 100% | |
| T&D-07 | System Average Interruption Duration Index (SAIDI) | Quantitative | 13.0 | 56.0 | |
| T&D-08 | System Average Interruption Frequency Index (SAIFI) | Quantitative | 0.17 | 0.68 | |
| T&D-09 | Momentary Average Interruption Frequency Index (MAIFI) | Quantitative | 0.21 | 1.34 | |
| T&D-10 | Reduce Sustained Multiple Customer Outages (S-MCOs) | Quantitative | 0% | 100% | |
| T&D-12 | Momentary MCO (6 or more) | Quantitative | 20,894 | 36,000 | |
| T&D-13 | Serious Injury Incident Rate (SIIR) | Quantitative | 0.00 | 0.00 | |
| T&D-14 | OSHA Recordable Incidence Rate | Quantitative | 0.44 | 0.70 | |
| T&D-16 | Motor Vehicle Accident (MVA) Rate | Quantitative | 50% | 100% | |
| T&D-18 | Workforce Management Plans | Qualitative | 15% | 100% | |
| T&D-24 | Vegetation Management Work Plan | Quantitative | 100% | 100% | |
| T&D-37 | Completion of Program Planned Units & Unit Cost | Quantitative | 100% | 100% | |
| T&D-40 | Reduce Double Wood Poles | Quantitative | 0% | 100% | |
| T&D-50 | Storm Outage Response Performance | Quantitative | 87.2% | 80.0% | |
| T&D-54 | Storm Crewing Efficiency and Prudency | Quantitative | 100% | 100% | |
| T&D-57 | Improve Underground (UG) Reliability Performance | Quantitative | 50% | 100% | |
| T&D-58 | Distribution System Automation and Advanced Operations | Qualitative | 22% | 100% | |

# Summarized Performance by Scope Function

## *Customer Services*

| Metric # | Metric Name | Metric Type | YTD Actual | YE Target | Forecast Status |
|---|---|---|---|---|---|
| CS-02 | JD Power Customer Satisfaction Survey (Residential) | Quantitative | 2nd Quartile | 1st Quartile | |
| CS-03 | JD Power Customer Satisfaction Survey (Business) | Quantitative | N/A - July | 1st Quartile | |
| CS-11 | Contact Center Service Level with Live Agent Calls | Quantitative | 83.9% | 77.0% | |
| CS-13 | First Call Resolution (FCR) | Quantitative | 80.6% | 81.0% | |
| CS-14 | Net Write-Off as a % of Revenue | Quantitative | 0.39% | 0.42% | |
| CS-15 | Arrears Aging Percent > 90 Days Past Due | Quantitative | 45.89% | 47.04% | |
| CS-17 | LMI Program Participation | Quantitative | 44,617 | 47,500 | |
| CS-19 | Customer Complaint Rate | Quantitative | 1st Rank | 1st Rank | |
| CS-31 | Call Average Handle Time (AHT) | Quantitative | 427 | 433 | |
| CS-36 | E-Bill Enrollment | Quantitative | 55.3% | 57.9% | |
| CS-37 | Self-Service Containment Enhancements | Qualitative | 50% | 100% | |
| CS-40 | Outage Information Satisfaction and Cause Code | Quantitative | 87.5% | 100% | |

# Summarized Performance by Scope Function

## *Information Technology*

| Metric # | Metric Name | Metric Type | YTD Actual | YE Target | Forecast Status |
|---|---|---|---|---|---|
| IT-03 | System Resiliency - BCPs & Functional Drills | Qualitative | 42% | 100% | |
| IT-04 | System and Software Lifecycle Management | Quantitative | 67% | 100% | |
| IT-05 | Project Performance - In-flight Projects | Qualitative | 7 | 7 | |
| IT-06 | Project Performance – New 2026 Projects | Qualitative | 0 | 11 | |
| IT-09 | IT Planning - Ransomware Readiness and Response | Qualitative | 47% | 100% | |
| IT-10 | System Resiliency - Disaster Recovery Plans and Testing | Qualitative | 51% | 100% | |
| IT-11 | System Cost Effectiveness | Qualitative | 33% | 100% | |
| IT-12 | System Reliability | Quantitative | 100% | 99% | |
| IT-13 | IT Service Management | Quantitative | 90% | 100% | |

# Summarized Performance by Scope Function

## *Power Supply & Clean Energy*

| Metric # | Metric Name | Metric Type | YTD Actual | YE Target | Forecast Status |
|---|---|---|---|---|---|
| PS&CE-05 | Beneficial Electrification | Quantitative | 1,629 | 5,808 | |
| PS&CE-06 | Electric Vehicle (EV) Make-Ready | Quantitative | 70% | 100% | |
| PS&CE-14 | Transportation Electrification Strategic Initiatives | Qualitative | 50% | 100% | |
| PS&CE-16 | Residential Time-of-Day Participation Rate | Quantitative | 95% | 85% | |
| PS&CE-17 | Disadvantage Communities (DACs) - Spend % | Quantitative | 63.0% | 35.0% | |
| PS&CE-18 | Solar Interconnection | Qualitative | N/A | 100% | |
| PS&CE-19 | Building Weatherization | Quantitative | 100% | 100% | |
| PS&CE-20 | Demand Response | Quantitative | 865 | 900 | |
| PS&CE-21 | Large Load Interconnection | Qualitative | 75% | 100% | |

# Summarized Performance by Scope Function

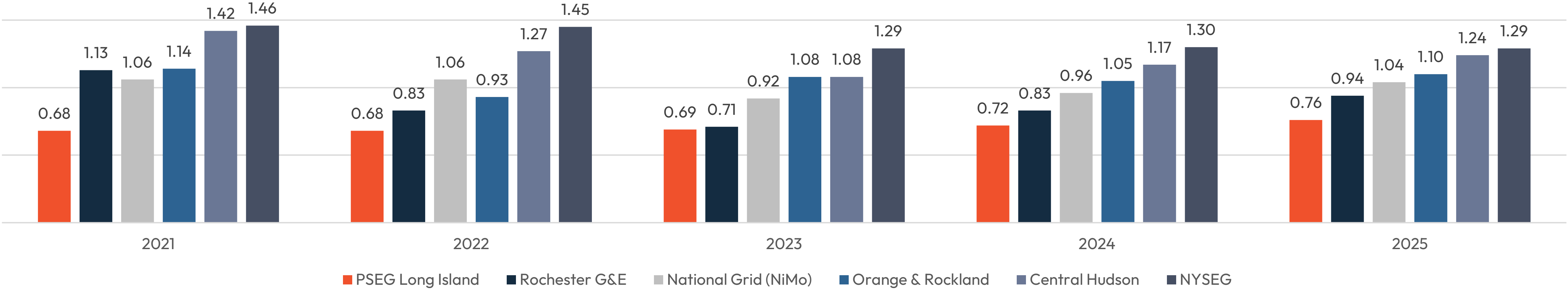
## *Business Services*

| Metric # | Metric Name | Metric Type | YTD Actual | YE Target | Forecast Status |
|---|---|---|---|---|---|
| BS-13 | Information Request (IR) Responses | Quantitative | N/A | 94% | |
| BS-22 | Timely, Accurate, and Supported Storm Event Invoicing | Quantitative | 100% | 90% | |
| BS-42 | Develop Annual Zero-Based Budget (ZBB) for T&D | Qualitative | 50% | 100% | |
| BS-43 | Implement Standards & Methods to Reduce Project Variances | Qualitative | 9% | 100% | |
| BS-44 | Establish Annual Assessment Allocation Model | Qualitative | 25% | 100% | |
| BS-45 | Dev Methods & Stds for Tracking Prod Gains & Sharing Savings | Qualitative | 20% | 100% | |
| BS-48 | Strategic Supplier MSAs | Qualitative | 33% | 100% | |
| BS-50 | Time to Start | Quantitative | 95.9 | 92.6 | |
| BS-53 | Non-Utility Billing Collections | Quantitative | 18 | 6 | |
| BS-54 | Competitive Transactions | Quantitative | 79.1% | 72.0% | |
| BS-55 | Procurement Savings | Qualitative | 50% | 100% | |

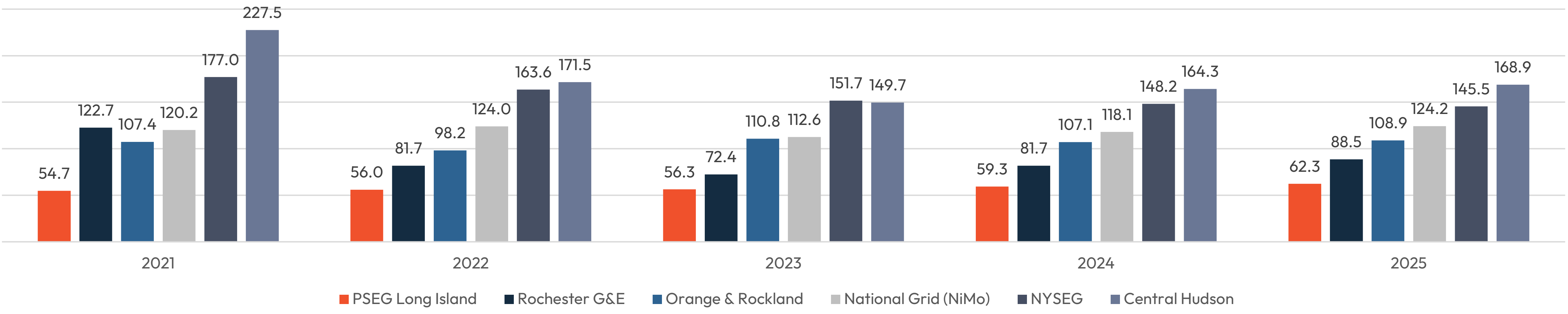
# Selected Metric Highlights

## *Reliability Performance – Excluding MEDs (Comparative Performance 2021-2025)*

**SAIFI Performance -** NYS Overhead Utilities (2021 – 2025)




**SAIDI Performance -** NYS Overhead Utilities (2021 – 2025)



# PSEG Long Island Update

## *Update on Culture and Collections Review*

**LIPA Board of Trustees Meeting**

June 24, 2026


**Presenters:**

Scott Jennings
*President and Chief Operating Officer, PSEG LI*

Daniel Shapiro
*Deputy General Counsel & Chief Litigation Counsel, PSEG*

Louis DeBrino
*Vice President, Customer Operations*

# Update and Actions taken *Culture and Collections Review*

- ***Follow Through on Immediate Corrective Actions***
  - Prompt investigation and action taken.
  - Organization-wide Stand Down reinforcing dignity, empathy, respect, and compassion.
  - Companywide training on Affordability and Customer Empathy launched, with role-specific in-person sessions being prepared.
  - New approval policy implemented for conferences and external presentations.
- ***Progress on Collections Review during Temporary pause on shut-offs for non-payment***
  - Review of Collections culture, compliance, and operations underway; initial findings today.
  - Temporary pause on residential shut-offs for non-payment during the review.
- ***Regulatory Coordination and Community Engagement aligned with Board direction***
  - Responses provided to DPS; benchmarking with peer utilities underway.
  - Expanded outreach with advocacy groups (PULP, AARP). Engagement begun with LIPA's Community Advisory Board to strengthen protections for vulnerable customers.
- ***Commitment to Affordability and Customer Support***
  - 2026 controllable costs held flat to 2025 and continued efforts to increase awareness of and enrollment in affordability programs for low-income and vulnerable customers.
- ***Expectations, Culture, and Ongoing Updates to the Board***
  - Supporting employees who are focused on serving the customer
  - Treating the incident as an organizational learning opportunity; focus on rebuilding confidence and strengthening empathy and accountability.
  - Periodic updates to the Board on recommended policy, operational, and training changes.
  - Continued alignment with Board expectations and commitment to customer experience.

# Collections and Culture Review

**Review Team Principals**

Daniel Shapiro
*Deputy General Counsel & Chief Litigation Counsel, PSEG*

Kara Krueger
*Director, Legal – Regulatory*

Christy Barone
*Director Field & Measurement Operations, PSE&G*

William Solan
*Sr. Manager – Field Operations, PSE&G*

Janeen Houston
*Enterprise Engagement & Inclusion Mgr, PSEG*

Gerard Ake
*Mgr Internal Audit Services, PSEG*

# Culture and Collections Review – Scope

- ***Ongoing cross-functional review led by PSEG NJ focusing on PSEG LI collections culture, customer empathy, and procedures***
  - Core team of 12 employees from Legal, Internal Audit, Human Resources, Collections Experts, and Business Improvement supported by various subject matter experts

- ***Review includes:***
  - Employee Interviews: More than 45 interviews of front-line personnel, supervisors, and senior leadership in Customer Operations, focusing on call center, back-office collections, and field collections employees
    - Field collector ride-along and interviews
    - Customer advocacy group interactions
  - Human Resources and Complaints Review: Review of HR materials and customer complaints
  - Collections Process: Review of process documents, procedures, training materials, and regulatory requirements (LIPA tariff and DPS regulations) governing customer collections and terminations; ongoing review of call center collections interactions
  - Materials Collected for Ongoing LIPA Audit: Review of process documents, performance, and other requested data
  - Audits: Review of prior internal and external audits involving customer collections and terminations since 2017

# Preliminary Findings to Date

- ***Compliance*** – To date, initial high-level review has not identified variances between PSEG Long Island's collections and termination processes and the requirements of the Home Energy Fair Practices Act (HEFPA) and the LIPA Tariff. The review is ongoing, and we will continue to cooperate with the expanded scope of LIPA's current customer credit and collections review.

- ***Evidence does not suggest a systemic culture issue affecting customer empathy*** – Our assessment has not identified indicators that customer empathy is lacking at a cultural level within PSEG Long Island in areas connected to shutoff decisions or arrears-management practices.

- ***Evidence does not suggest that the former employee's statements reflect the department's overall attitudes or interactions with customers, colleagues, or partner organizations.***
  - The statements made by a single supervisor, while inappropriate and inconsistent with organizational values, are not reflective of pervasive attitudes or behaviors. A new approval policy for conferences and external presentations has been implemented.
  - The evidence does not suggest that the statements were part of a shared mindset among supervisors and employees, and they do not reflect the Company's customer-interaction standards.
  - The evidence does not suggest a pattern of disrespect or disregard for customer hardships among the predominately union workforce and other collections employees.

# Prior Audit and Ongoing Cooperation

- ***2024 DPS Management Audit***
  - As required by the Public Authorities Law, PSEG Long Island is subject to management and operations audits overseen by DPS Staff.
  - The Audit did not identify non-compliance in the areas of customer collections or terminations.
  - The Audit found that PSEG Long Island's current practices and policies in dealing with customers in arrears were "effective" and adhered to applicable Commission requirements.

- ***Ongoing Cooperation with May LIPA Board Resolution and Public Service Commission Matter***
  - DPS Review – PSEG Long Island publicly submitted a response to the Commission Chair's letter on May 18th and will continue to provide responsive information, as needed.
  - LIPA – PSEG Long Island will continue to cooperate with the expanded scope of LIPA's current customer credit and collections review.

# Recommendations

- ***Recommendation #1:*** Supplemental empathy training should be rolled out to all employees.
- ***Recommendation #2:*** Quality Assurance and the Customer Advocacy team should be expanded.
- ***Recommendation #3:*** Implement additional opportunities to share field collector experiences with in-office collections staff, including participating in ride-alongs.

# Summary and *Next Steps*

## *Summary*

- ***Our employees are focused on serving the customer*** – Ongoing review does not suggest a systemic culture issue affecting customer empathy
- ***Continued improvement*** – Initiated actions to increase focus on Affordability and Customer empathy including launch of trainings
- ***Broad stakeholder engagement underway to expand perspective*** – LIPA, DPS, advocacy groups, and community partners to collaborate and inform additional opportunities to improve customer service

## *Next Steps*

- Continue to formalize and implement recommendations
- Continue partnership with ***LIPA*** as they progress through their expanded customer-credit and collections review
- Maintain collaboration with ***DPS***, including participation in impacted proceedings
- Increase collaboration with ***non-profit partners and advocates*** to review protections for vulnerable customers and incorporate community feedback into policy and training evolutions
- Continue to benchmark and adopt ***industry best practices*** across collections, communication, hardship management, and customer-advocacy integration

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# Thank *you*