



LIPA Community Advisory Board

December 9, 2025



Discussion Topics



Opening Remarks

Tracey Edwards, LIPA Board Chair & Carrie Meek Gallagher, LIPA CEO



2026 Proposed Budget Presentation

Donna Mongiardo, LIPA CFO



PSEG Long Island Update

Louis Debrino, VP Customer Services

Dave Lyons, PSEG Interim President & Chief Operating Officer



Roundtable Discussion

Carrie Meek Gallagher, LIPA CEO



Opening Remarks

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Tracey A. Edwards
Chair of the Board



Carrie Meek Gallagher
LIPA CEO

LIHCC 27th Annual Gala Awards & Toy Drive

Thank you to LIHCC for an inspiring evening and for everything you do to support and elevate Long Island's diverse business community.



LIPA and UDSA Achieve Successful Pricing of Restructuring Bonds

\$700 Million Savings for Long Island Ratepayers

- The Utility Debt Securitization Authority (UDSA) has successfully priced LIPA's Series 2025 Restructuring Bonds.
- The transaction will deliver more than \$120 million in new Net Present Value savings and bring total refinancing savings under the UDSA program to approximately \$699 million for Long Island ratepayers.
- Investor demand was strong, with orders totaling nearly four times the amount of bonds offered. Approximately 80 institutional investors participated, including a dozen that submitted orders of \$100 million or more.
- The Utility Debt Securitization Authority was created by the State of New York to refinance LIPA's legacy debt at a lower cost. Its issuances continue to provide significant long-term savings for Long Island ratepayers.

Acting UDSA Chairman Robert Gurman said:

- *"This is excellent news for Long Island. The savings generated by the UDSA program directly reduce costs for ratepayers while enabling important investments in system reliability. We appreciate the confidence shown by the investor community and the outstanding work of the entire finance team."*



2026 Proposed Budget by the Numbers

Board Objectives for Standards and Service to Customers

- The LIPA Board provides strategic direction through a set of governance policies that define our purpose and vision, as well as strategic outcomes in all areas of utility operations.
- The budget process starts with these objectives set by the Board, as reflected in LIPA's policies.

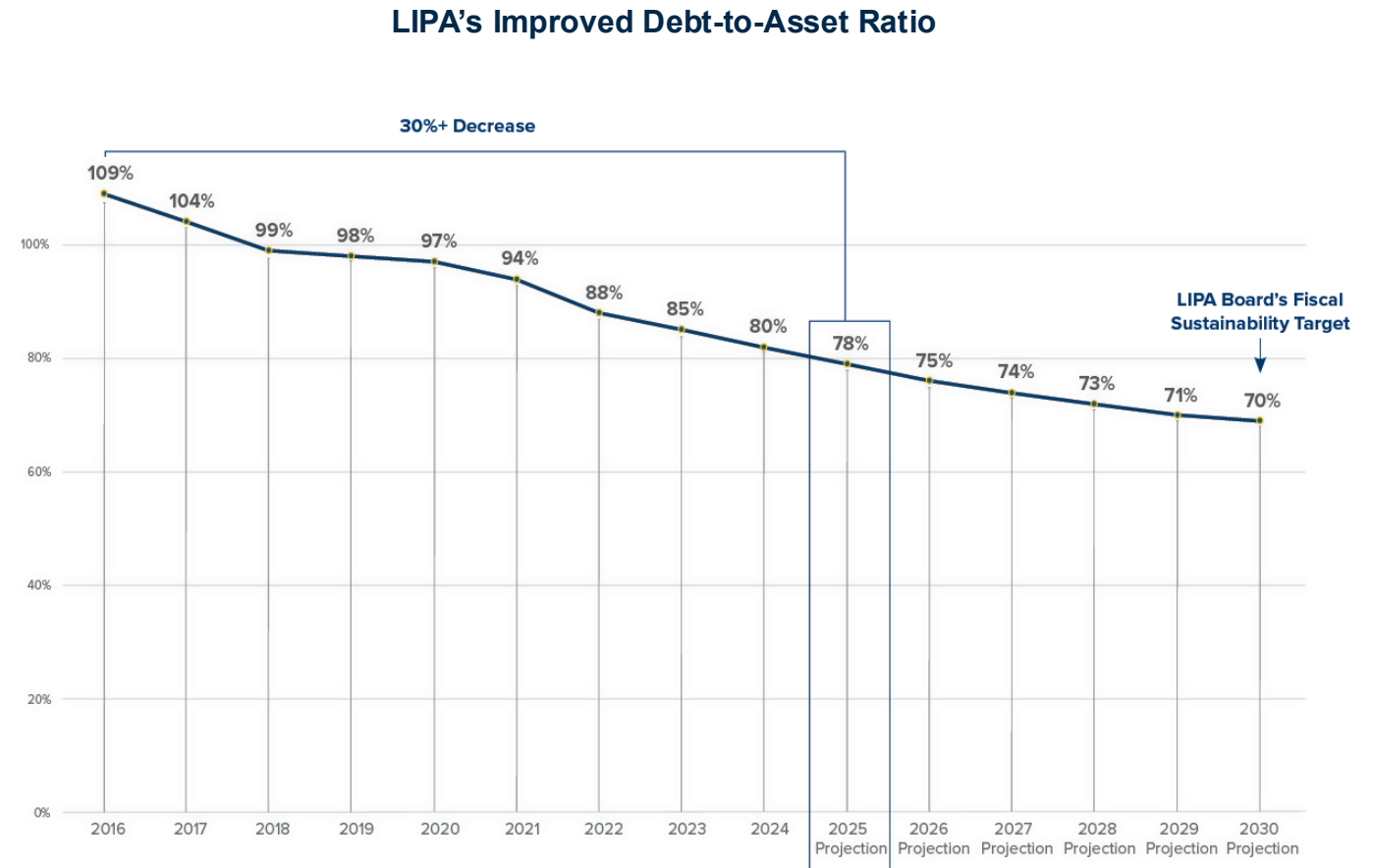
Key Policy Objectives

Area	Objectives
TRANSMISSION & DISTRIBUTION OPERATIONS	<ul style="list-style-type: none">• Top 10% reliability among peer utilities• Improve circuit conditions that cause repeated customer outages• Invest in system resiliency to reduce the number and duration of outages and assure timely and accurate communications to customers regarding restoration times from severe weather• Independently verify that emergency restoration plans are complete and tested
CLEAN ENERGY & POWER SUPPLY	<ul style="list-style-type: none">• Achieve a zero-carbon electric grid by 2040• Demonstrate innovation and be recognized among the leading utilities in reducing economy-wide greenhouse gas emissions across the service territory through energy efficiency and beneficial electrification• Improve equity for disadvantaged communities• Plan for a power supply portfolio that meets or exceeds industry standards for reliability
CUSTOMER EXPERIENCE	<ul style="list-style-type: none">• Deliver top 25% customer satisfaction in J.D. Power studies• Continual improvement in ease of customer interaction, as measured by customer surveys• Invest in technology to enhance the convenience of billing, payments, appointments, emergency restorations, etc.• Effectively target communications across customer segments and socioeconomic groups, with particular attention to low-income and disadvantaged communities
CUSTOMER VALUE, AFFORDABILITY, AND RATE DESIGN	<ul style="list-style-type: none">• Prioritize investments for customers to balance cost and service quality• Communicate the benefits and cost drivers of any rate increases to customers• Maintain competitive electric rates, as compared to the system average rates of those regional electric utilities that most closely resemble the costs, electric supply, and policy goals• Offer programs to low-income and disadvantaged customers to maintain electric bills that are a reasonable percentage of household income
INFORMATION TECHNOLOGY & CYBERSECURITY	<ul style="list-style-type: none">• Ensure the capacity of the information technology organization to deliver reliable, robust, and resilient systems (measured against industry-standard frameworks)• Regularly upgrade information and operational technology systems to maintain all systems within their active service life and under general support from the product vendor• Conduct quarterly internal vulnerability assessments, annual third-party vulnerability assessments, and penetration testing of all information and operational technology systems and promptly mitigate vulnerabilities
FISCAL SUSTAINABILITY	<ul style="list-style-type: none">• Achieve AA-category credit ratings by reducing LIPA's debt-to-assets ratio to 70% or less by 2030• Maximize grants and low-cost funding sources• Develop budgets and financial plans that maximize customer value and aggressively manage costs• Provide customers and investors with timely, transparent, accurate, and useful information to evaluate LIPA's financial performance and plans

For a full list of the key policy objectives, visit: lipower.org/strategic-direction.

2026 Proposed Budget Maintains Fiscal Sustainability

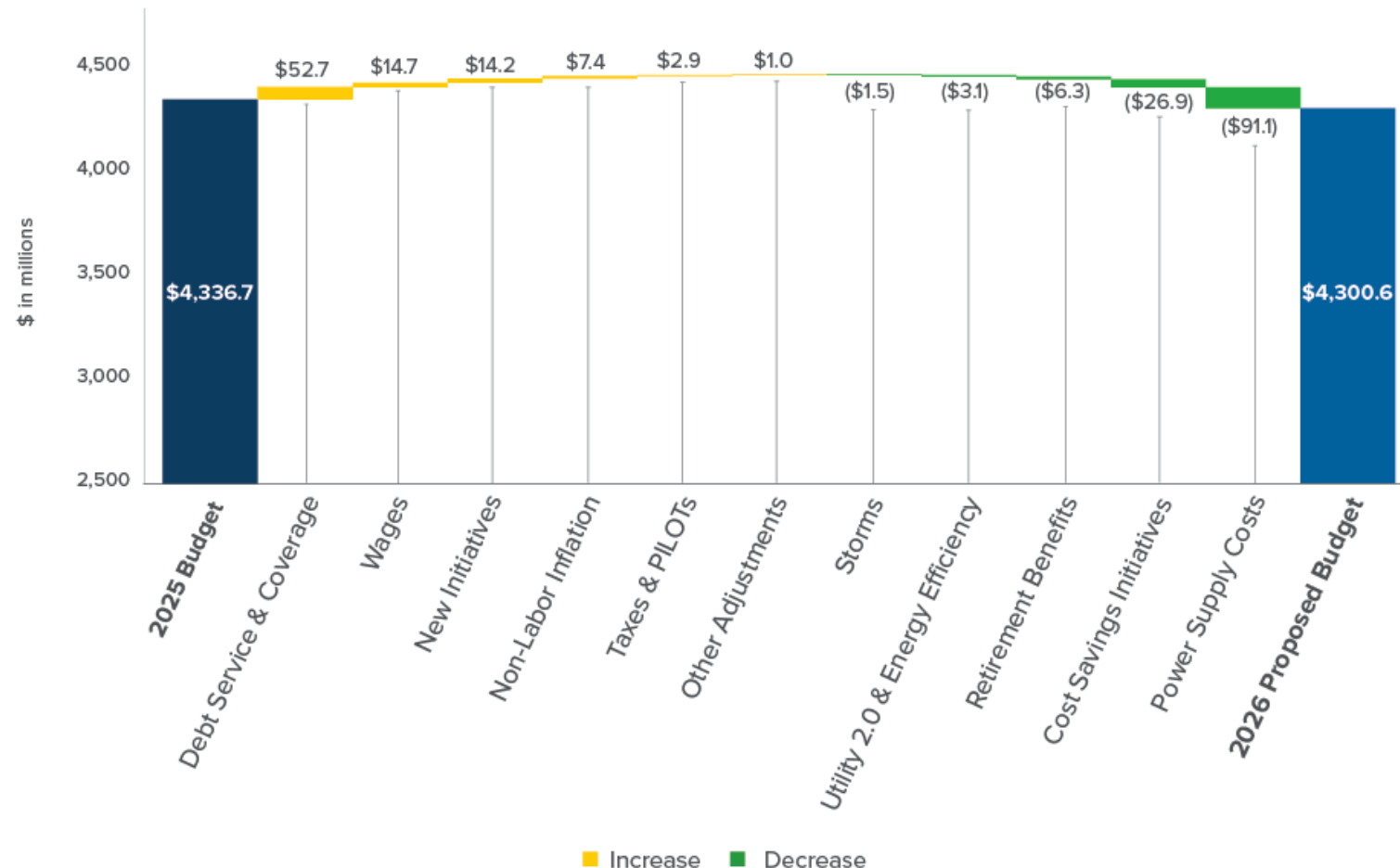
- LIPA is on track to meet the targets set forth in the Board's Fiscal Sustainability Policy (debt-to-asset ratio to 70% or less by 2030) with a projected debt-to-asset ratio of 78% in 2025.
- Achieving a 70% debt ratio, coupled with other credit strengths, should position the Authority for AA-category credit ratings, comparable to other large public power utilities.



Proposed 2026 Operating Revenue Budget

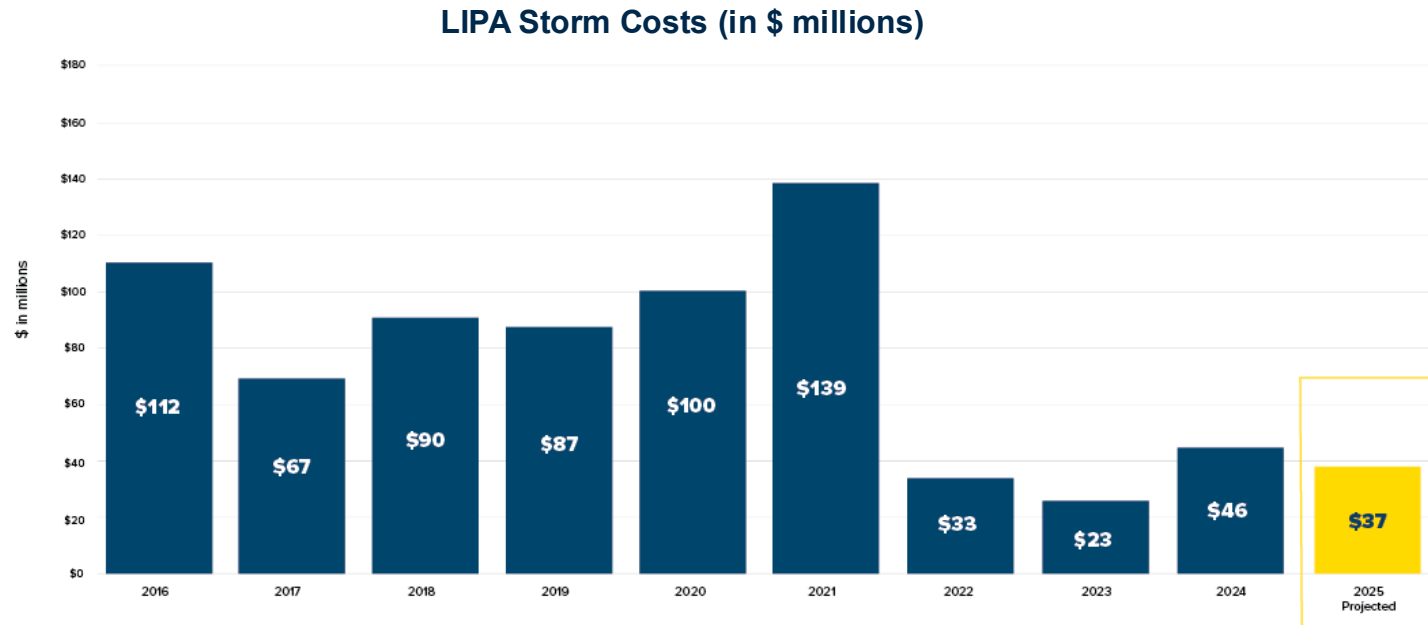
- Despite increases in labor costs and overall inflation, LIPA and PSEG Long Island have managed to maintain operating costs flat in 2026, while ensuring sufficient funding to maintain and operate the electric system in a manner that meets policy objectives set by the Board.
- Total operating revenue is expected to decrease by \$36.0 million (0.8%), resulting in a total 2026 budgeted revenue of \$4.30 billion, compared to \$4.34 billion in 2025.

Proposed 2026 Operating Revenue Budget as Compared to 2025



Planning for **Extreme Weather Events**

- LIPA's storm budget funds the preparation, response, and repairs necessary to restore electric service after major storms.
- The proposed 2026 storm budget of \$82 million is \$1.5 million below the 2025 budget level to align with new standards under the extended contract with PSEG Long Island. The storm budget is based on inflation-adjusted historical average.

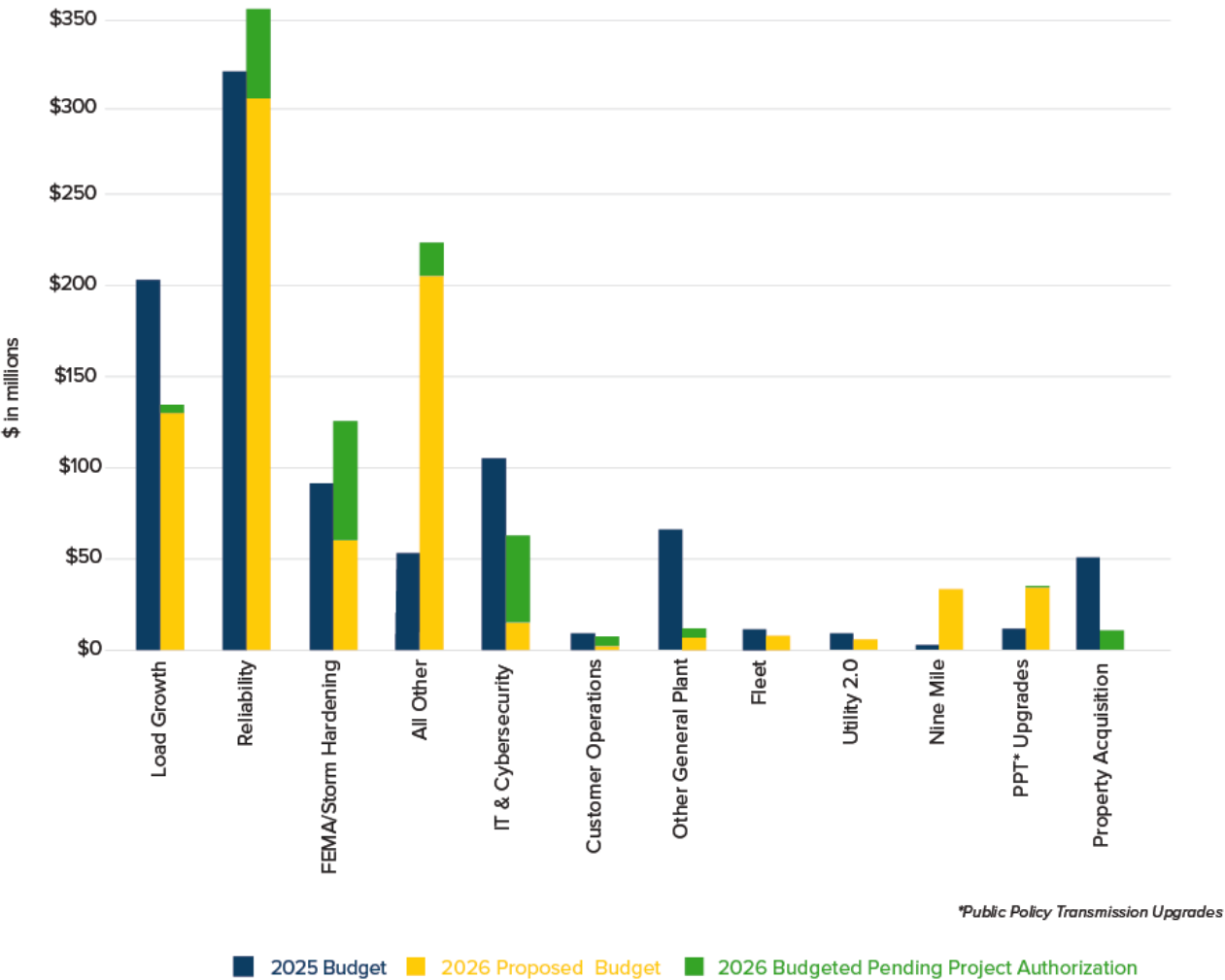


Note: Storm costs normalized for Tropical Storm Isaias

Proposed 2026 Capital Budget

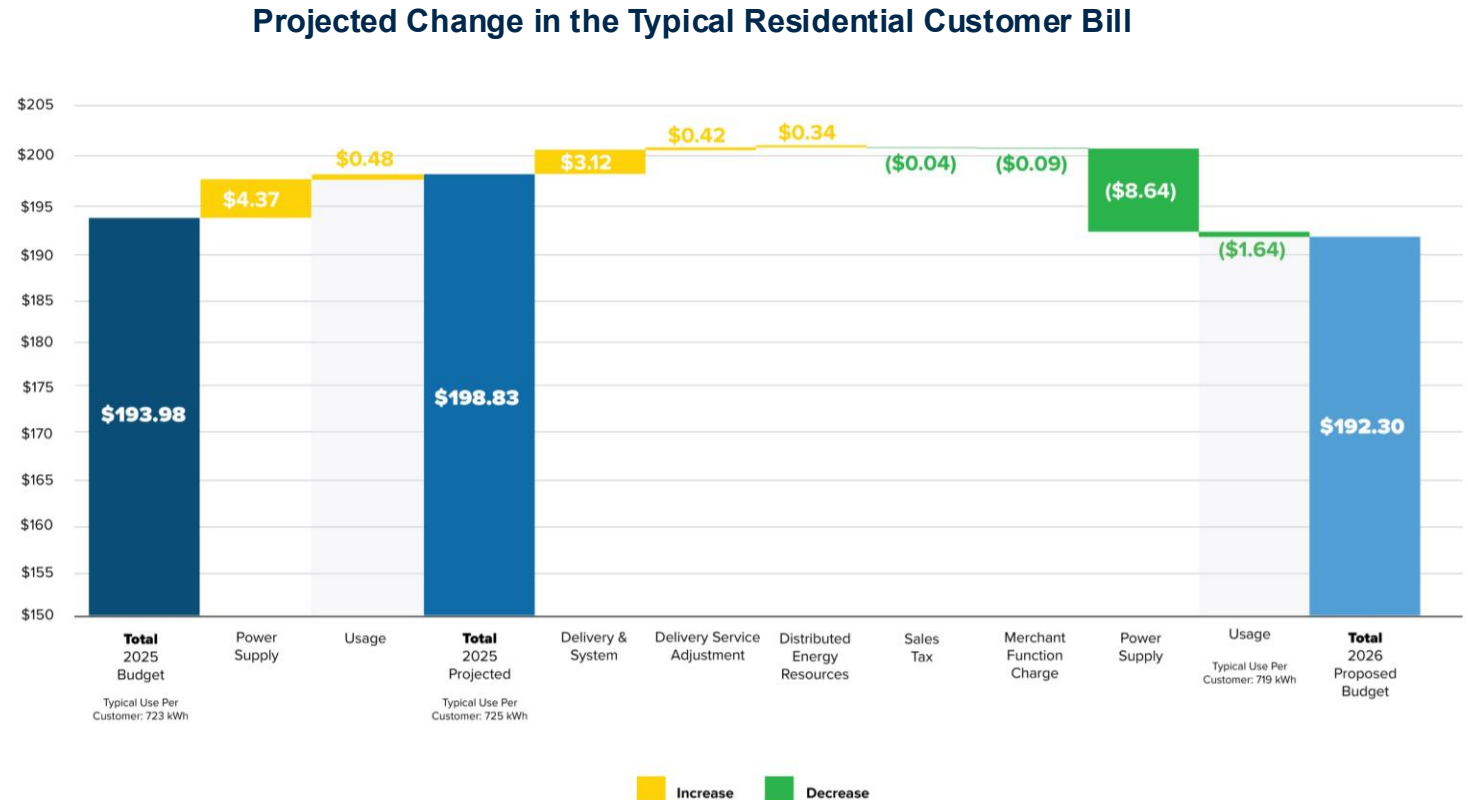
- The proposed 2026 capital budget is \$1.04 billion, an increase of \$30.7 million (3.1%).
- Increase is due to the required refueling costs related to LIPA’s 18% ownership of Nine Mile Point 2 nuclear generating power plant.
- The 2026 capital budget will continue to allow for significant investments in the electric grid, including transmission upgrade projects, a new operations yard, a facility operations replacement, pole replacement programs, grid automation projects, and load growth support projects.

Changes in the 2026 Capital Budget as Compared to 2025



Projected Change in Typical Residential Customer Bill in 2026

- Typical residential bills are projected at **\$6.53 (-3.3%)** lower in 2026 than budgeted in 2025 due to:
- An estimated decrease in average electricity use per residential customer of approximately \$1.64.
- The 2026 budget projects that the average residential customer will use 719 kWh of electricity per month in 2026, compared to projected usage of 725 kWh in 2025 (723 kWh budgeted).



2026 Power Supply Costs

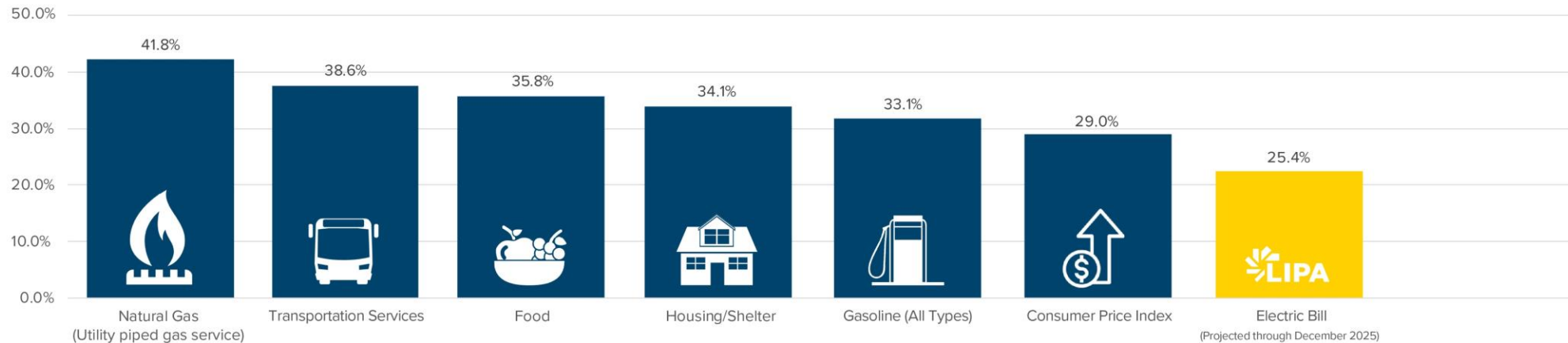
LIPA is projecting lower power supply costs next year, contributing \$8.64 (-4.3%) to the monthly bill impact. Factors contributing to the \$219 million decrease in power supply costs include:

- \$148 million decrease in commodity costs due to less on-island generation
- \$29 million decrease in Regional Greenhouse Gas Initiative allowances driven by market prices
- \$21 million in Zero Emission Credits net of the impacts to the nuclear production tax credit related to LIPA's 18% ownership in Nine Mile Point 2 nuclear facility
- \$22 million decrease in fees and transition costs related to services under the new Power and Fuel Management Services Agreement
- \$10 million decrease in pass-through property taxes on power plants due to continuing benefits of tax settlements
- Partially offset by a \$11 million increase in capacity, purchased power, and renewables (net of the settlement concerning the costs and responsibilities for a specific transmission project within the Regional Transmission Expansion Plan)

Electricity Prices Remain **Below** Inflation

- As the price of goods and services throughout the country has increased, so have utility bills.
- LIPA's average residential customer bills continue to remain stable and below the rate of inflation, even as neighboring states experience significant increases driven by wholesale market volatility, grid investment surges, and clean energy surcharges.

Rising Costs of Goods and Services Since 2018



Questions?

lipower.org



PSEG Long Island Update



Community Advisory Board

PSEG Long Island

December 9, 2025

Agenda

➤ J.D. Power – Business Update

➤ Community Update

vision



J.D. Power – Business Update

Louis Debrino, *VP Customer Services*

We're ranked #1 by J.D. Power

For Business Customer Satisfaction among Large Electric Utilities in the East.

We mean business

- Our Business First programs have helped hundreds of local businesses reduce costs and operate more efficiently.
- This award reflects the hard work and dedication of more than 2,500 local employees who work every day, at all hours of the day, to deliver reliable power and services that help our business customers save time, energy and money.

Highlights/Call Outs

- This is the first time PSEG Long Island has achieved the #1 spot in J.D. Power.
- This award highlights the power of working together with our corporate partners.
- PSEG Long Island's **Business First** program also received the **2025 Gold Award from Chartwell**

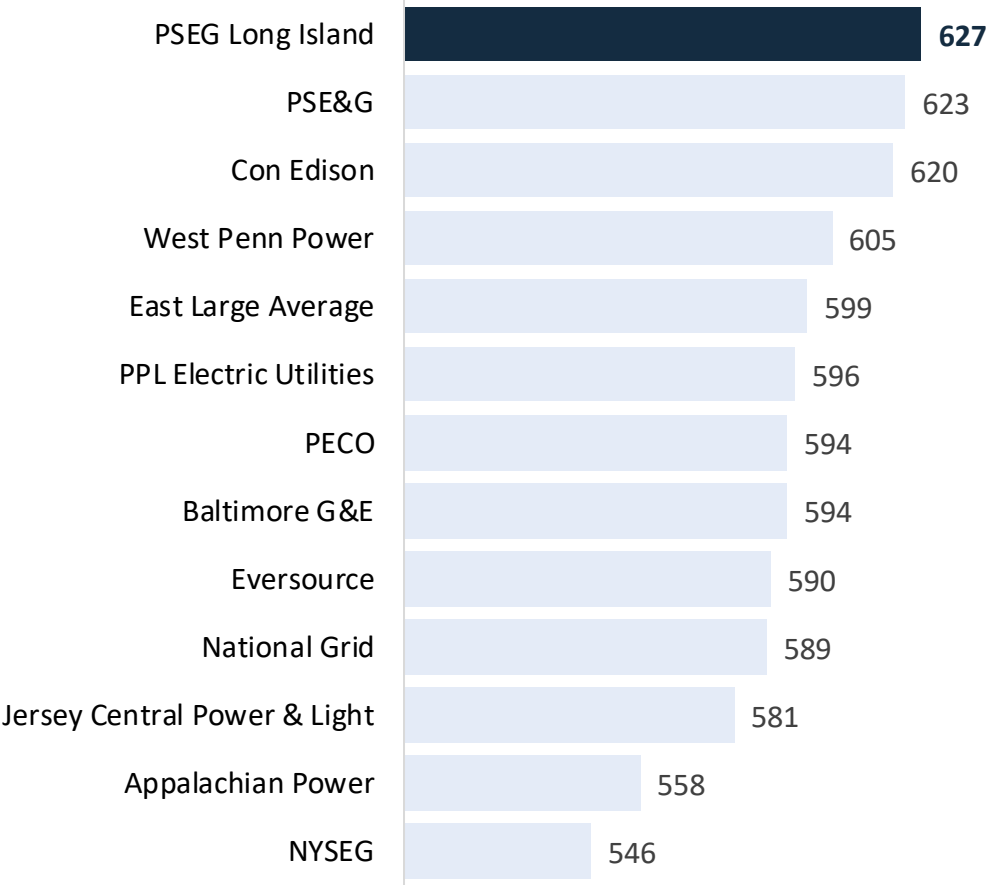
J.D. Power ranks our
Business First



J.D. Power Electric Utility Business Customer Satisfaction StudySM

Results Summary (2020-2025)

2025 YE Syndicated Results



Overall Customer Satisfaction Index
Safety and Reliability
Resolving Problems or Complaints
Ease of Doing Business
Digital Channels
People
Total Monthly Cost
Trust
Information Provided

J.D. Power Business - Rankings					
Traditional					New
2020	2021	2022	2023	2024	2025
7	12	12	9	11	1
					3
					2
					2
					1
					1
					1
					2
					1

Quartile

Top

2nd

3rd

Bottom

PSEG Long Island ranked #1 of 12 utilities in the East Large segment and top quartile performer in each index

J.D. Power: We are rated on only 8 core questions

- A. Safety and reliability
- B. Resolving problems or complaints
- C. Ease of doing business (e.g., billing, payment, account changes)
- D. Digital channels (e.g., website, mobile, social)**
- E. People (e.g., representatives, service technicians, call center agents)**
- F. Total monthly cost**
- G. My level of trust with PSEG Long Island (e.g., community involvement, environmental impacts)
- H. Information provided (e.g., energy saving programs, account information)**

Considering all aspects of your relationship with PSEG Long Island, how would you rate your experience?

New Scale (6-point Poor to Perfect)

Rating	Poor	Just OK	Good	Great	Excellent	Perfect
Scale	0	2	4	6	8	10

J.D. Power: What are we doing to keep improving?

J.D. Power CX Assessment

J.D. Power performed a customer experience assessment of existing organization and develop recommendations.

Customer ONE

Cross-functional task force of PSEG Long Island SMEs focusing on improving J.D. Power topic areas.

Annual CSAT Improvement Plan

2025 plan focused on 6 key areas – Process Improvement, Operational Efficiency, Digital CX, Marketing & Outreach, Business Customer Support, and Employee Engagement.

Training and Development

Partnering with HR to work with cohort of leadership development participants on J.D. Power improvement projects, continuously educating new hire classes, introducing mandatory training.

Voice of Customer

Ongoing surveys, including in-house CSAT trackers, program specific, Cogent, transactional surveys, customer council, complaints/escalations, QA listening, social media, focus groups, etc.

Employee Engagement

Internal surveys, roadshows/presentations, contests, leadership forum, etc.



Community Update

Dave Lyons, *Interim President and COO, PSEG LI*

Thanksgiving CPP Events

VETERANS TURKEY DISTRIBUTION – NOVEMBER 18TH

- Partnership between Suffolk County, PSEG Long Island & Long Island Cares
- PSEG Long Island employee volunteers handed out **465** Thanksgiving Dinners including turkeys, sides and desserts as well as LED bulbs to veterans

FOUR LEAF TURKEY DRIVE TO BENEFIT ISLAND HARVEST – NOVEMBER 21ST

- PSEG Long Island employees donated **176** turkeys & **190** lbs. of fixings
- PSEG Long Island presented a check for **\$10,000** to Island Harvest
- PSEG Long Island employees volunteered with day of traffic control and food collections



PSEG Long Island November Outreach and Application Assistance *Events*

- PSEG Long Island held three events in November:
 - Shirley, 11/3/25
 - Elmont, 11/6/25
 - Far Rockaway, 11/13/25
- PSEG Long Island employees assisted **over 400** customers
- Processed **75** Household Assistance Applications
- Partnered with **18** community and government organizations

Veteran *Outreach*

- Suffolk County Veteran Resource Fair, Suffolk Community College
- 9-1-1 Veterans Turkeys for Vets event, Lindenhurst



PSEG Foundation Donation



FOUNDATION



PSEG Foundation donated \$100,000 to Island Harvest through the Community Relief Initiative

"On behalf of the 240,000 people we serve who face food insecurity and uncertainty of when their next meal will come, we are incredibly grateful to direct the PSEG Foundation grant to our Hunger Relief Action Fund. The strong, long-term partnership we have with PSEG Long Island and the PSEG Foundation continues to make a positive impact on the lives of Long Islanders. PSEG's commitment to improving the quality of life and providing critical resources for our neighbors in need, especially during these difficult times, is truly commendable and heartwarming."

— Randi Shubin Dresner, President and CEO of Island Harvest Food Bank

The Community Relief Initiative reflects PSEG Foundation's ongoing dedication to affordability and community well-being.



Roundtable Discussion