



2025 Draft Financial Results

Finance and Audit Committee

January 28, 2026

(Year-end results are unaudited, subject to change)

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



LIPA Consolidated Results – FY Actual 2025

(\$ in thousands)

	Actual ^(a)	Budget	\$ Var.	% Var.
Revenues	\$4,534,869	\$4,336,666	\$198,203	4.6%
Power Supply Charge	2,280,593	2,068,435	(212,158)	-10.3%
Revenue Net of Power Supply Charge	2,254,276	2,268,231	(13,955)	-0.6%
PSEG Long Island Operating and Managed Expenses				
PSEG Long Island Operating Expenses ^(b)	706,111	696,000	(10,110)	-1.5%
PSEG Long Island Managed Expenses	115,946	156,242	40,296	25.8%
Utility Depreciation	375,791	374,821	(970)	-0.3%
PILOTs	352,517	350,907	(1,610)	-0.5%
LIPA Operating Expenses ^(b)	95,487	117,265	21,778	18.6%
LIPA Depreciation and Amortization	138,424	138,669	244	0.2%
Interest Expense	367,040	374,203	7,163	1.9%
Total Expenses	\$2,151,316	\$2,208,107	\$56,791	2.6%
Other Income and Deductions	99,609	74,103	25,505	34.4%
Grant Income	39,980	39,719	261	0.7%
Total Non-Operating Revenue	\$139,589	\$113,822	\$25,767	22.6%
Change in Net Position	\$242,549	\$173,946	\$68,603	39.4%

Note: Variance - favorable/(unfavorable)

(a) Year-end results are unaudited, subject to change.

(b) LIPA transferred \$10M (\$1M for Customer Service and \$9M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

LIPA Managed Expenses & Income – FY Actual 2025

- LIPA operating expense is under budget by \$22M primarily due to (i) unused LIPA risk and contingency, (ii) legal reserve release, (iii) lower outside service expense, (iv) lower IT related consulting and software expense, and (v) lower 2024 PSEGLI Incentive Compensation earned.
- Interest expense is under budget \$7M due to lower interest rates and lower outstanding balances for short term debt coupled with lower than budgeted interest rates for long term variable rate debt.
- Other income and deductions are favorable against the budget by \$25M due to (i) higher than budgeted funds in the rate stabilization, UDSA, operating and construction accounts providing additional income of \$9M, (ii) higher dividends of \$11M and realized gains of \$2M on the OPEB Dedicated Account, and (iii) miscellaneous income of \$1M due insurance recoveries for reimbursable legal costs related to superstorm sandy.
- LIPA Capital is favorable against budget by \$5M due to delays in project start dates. Projects have been redefined and moved to 2026.

(\$ in thousands)

LIPA Expenses

LIPA Operating Expenses^(b)
 LIPA Depreciation and Amortization
 LIPA Deferred Amortized Expenses
 Interest Expense, other Interest Costs
 and Interest Amortizations

Total Expenses

Other Income and Deductions
 Grant Income

Total Income

LIPA Capital

	Actual ^(a)	Budget	\$ Var.	% Var.
LIPA Operating Expenses ^(b)	\$95,487	\$117,265	\$21,778	18.6%
LIPA Depreciation and Amortization	113,410	113,655	244	0.2%
LIPA Deferred Amortized Expenses	25,014	25,014	-	0.0%
Interest Expense, other Interest Costs and Interest Amortizations	367,040	374,203	7,163	1.9%
Total Expenses	\$600,952	\$630,137	\$29,185	4.6%
Other Income and Deductions	73,145	48,096	25,050	52.1%
Grant Income	39,980	39,719	261	0.7%
Total Income	\$113,125	\$87,815	\$25,311	28.8%
LIPA Capital	\$855	\$6,000	\$5,145	85.8%

Note: Variance - favorable/(unfavorable)

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LIPA Liquidity Position – FY Actual 2025

<i>(\$ in thousands)</i>	December 31, 2025	Days Cash	November 30, 2025	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 871,514		\$ 794,069	
OPEB Account cash, cash equivalents, and investments	874,170		867,567	
PSEG Long Island working capital requirements	287,255		331,867	
Total operating liquidity	2,032,939	219	1,993,503	215
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	712,000		712,000	
Total available credit	912,000		912,000	
Total cash, cash equivalents, investments, and available credit	\$ 2,944,939	317	\$ 2,905,503	313
Restricted cash and cash equivalents				
Clean Energy Compliance Fund	21,084		21,054	
UDSA	106,001		280,402	
Total restricted cash	\$ 127,085		\$ 301,456	

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

PSEG Long Island Operating Expenses – FY Actual 2025

Total expense is expected to be over budget by (\$10M) primarily due:

- T&D is over budget by (\$23M) due to Vegetation Management (Pole Inspection and Inventory program as well as Customer Work) and Corrective Maintenance (Cable Repairs and the Valley Stream Non-Toxic Spill remediation).
- Asset Management is under budget by \$3M due to lower consultants/contractors' costs, lower staffing levels due to timing of new hires.
- Construction & Ops Services is under budget by \$9M driven by lower National Grid operating expenses related to facility leases including a true-up credit for 2019-2021.
- Customer Service is under budget by \$2M primarily due to lower vendor costs in Customer Technology and vacancies in Revenue Operations.
- IT & Cyber are under budget by \$5M due to variance in final implementation schedule of system separation and savings related to service management vendors.
- Business Services is over budget by (\$11M) due to savings realized by other lines of business.
- Energy Efficiency is under budget by \$3M 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 exceeded the year-to-date goals.
- Utility 2.0 is under budget by \$2M due to home charger rebates being lower than planned for the EV Program.

(\$ in thousands)

PSEG Long Island Operating Expenses

	Actual ^(a)	Budget	\$ Var.	% Var.
Transmission & Distribution	\$218,592	\$195,460	(\$23,132)	-11.8%
Asset Management & Reliability	10,282	13,425	3,143	23.4%
Construction & Operations Services	39,592	48,115	8,523	17.7%
Customer Services ^(b)	126,384	127,939	1,555	1.2%
Information Technology & Cybersecurity ^(b)	104,704	109,490	4,786	4.4%
Business Services	80,148	68,949	(11,200)	-16.2%
Power System Management	21,808	23,009	1,200	5.2%
Energy Efficiency & Renewable Energy	93,225	95,903	2,678	2.8%
Utility 2.0	11,375	13,710	2,335	17.0%
Total PSEG Long Island Operating Expenses	\$706,111	\$696,000	(\$10,110)	-1.5%

Note: Variance - favorable/(unfavorable)

(a) Year-end results are unaudited, subject to change.

(b) LIPA transferred \$10M (\$1M for Customer Service and \$9M 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 – FY Actual 2025

- Uncollectible Accounts is under budget by \$5M due to an actual write off rate of 0.40% compared to the budgeted rate of 0.54%.
- Storm Restoration is under budget by \$31M due to lower storm activity. 15 storms were incurred, two of which required mutual aid assistance.
- Pension & OPEB expense is under budget by \$4M due to discount rate updates in the actuarial models.

(\$ in thousands)

PSEG Long Island Managed Expenses

	Actual ^(a)	Budget	\$ Var.	% Var.
Uncollectible Accounts	\$18,101	\$23,412	\$5,312	22.7%
Storm Restoration	52,626	83,500	30,874	37.0%
NYS Assessment	10,866	12,237	1,370	11.2%
Utility Depreciation	375,791	374,821	(970)	-0.3%
Pension & OPEB Expense	29,149	33,629	4,481	13.3%
PILOTs - Revenue-Based Taxes	47,401	45,965	(1,436)	-3.1%
PILOTs - Property-Based Taxes	305,115	304,941	(174)	-0.1%
PSEGLI Managed - Misc	5,205	3,464	(1,742)	-50.3%
Total PSEG Long Island Managed Expenses	\$844,254	\$881,970	\$37,716	4.3%
Other Income & Deductions	\$26,463	\$26,007	\$456	1.8%

Note: Variance - favorable/(unfavorable)

(a) Year-end results are unaudited, subject to change.

PSEG Long Island Revenue – FY Actual 2025

- Revenue, net of PSCs, is (\$14M) lower than budget primarily due to DSA Debt Service Deferral of (\$22M) resulting from lower than budgeted interest rates combined with lower short-term debt balances outstanding and DSA Pension and OPEB decrease of (\$5M) partially offset by DSA Storm Deferral decrease of \$15M.
- Power Supply Charge is (\$212M) higher than budget primarily due to higher than planned natural gas and oil purchases and higher energy market prices.
- Total Sales of electricity are slightly higher than budget due to higher Residential Sales partially offset by lower Commercial Sales.

(\$ in thousands)

Revenues

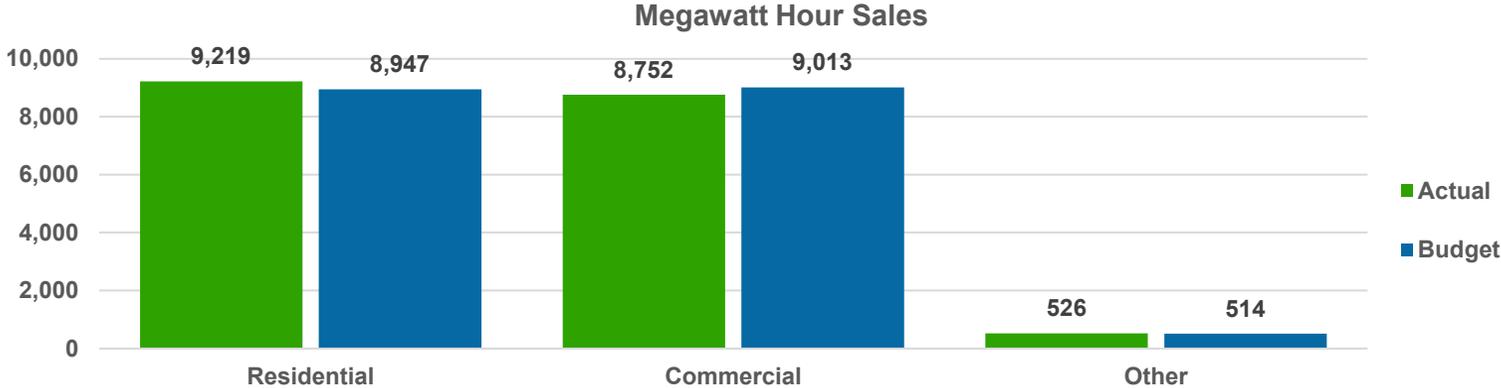
Power Supply Charge

Revenue Net of Power Supply Costs

	Actual ^(a)	Budget	\$ Var.	% Var.
Revenues	\$4,534,869	\$4,336,666	\$198,203	4.6%
Power Supply Charge	\$2,280,593	\$2,068,435	(\$212,158)	-10.3%
Revenue Net of Power Supply Costs	\$2,254,276	\$2,268,231	(\$13,955)	-0.6%

Note: Variance - favorable/(unfavorable)

(a) Year-end results are unaudited, subject to change.



Capital Expenditures – FY Actual 2025

- T&D is under budget by \$16M primarily due to lower expenses for Load Growth and Economic, Salvage, Tools, Equipment & Other related to scope reductions and favorable contractor and vendor pricing.
- Public Policy Transmission Upgrades is over budget by (\$3M) due to the Network Upgrade Facility initiatives.
- Property Acquisition is under budget by \$2M due to a lower purchase price for the property closed in December.
- Utility 2.0 is under budget by \$2M primarily due to lower level of lease prospects for the EV Make Ready Program.
- FEMA Storm Hardening is over budget by (\$12M) due to procurement and construction work related to Branch Line Re-Closers project budgeted in T&D Reliability.
- Capital Storm is over budget by (\$6M) primarily due to the higher number of transformers replaced during the extreme heat event in June.

Note: Variance - favorable/(unfavorable)

(a) Year-end results are unaudited, subject to change.

(b) PSEG Long Island Pending Project Authorizations are budgeted resources held outside the PSEG Long Island Budget pending additional project information. In 2025, LIPA released \$18M for T&D, \$44M for IT projects, \$6M for Customer Service, \$1M for Other General Plant, \$2M for Fleet, \$31M for Property Acquisition, and \$4M for FEMA.

(c) Reflects \$144M in proposed carryover.

(\$ in thousands)

Transmission and Distribution

	Actual ^(a)	Budget ^(c)	\$ Var.	% Var.
Regulatory Driven	\$4,188	\$3,049	(\$1,139)	0.0%
Load Growth	173,460	185,189	11,729	6.3%
Reliability	314,284	316,231	1,947	0.6%
Storm Hardening	53,622	52,732	(890)	-1.7%
Economic, Salvage, Tools, Equip & Other	43,666	47,696	4,029	8.4%
Total T&D Projects^(b)	\$589,221	\$604,897	\$15,675	2.6%

Other PSEG Long Island Capital Expenditures

Information Technology Projects ^(b)	78,976	79,505	529	0.7%
Information Technology - Cyber Security ^(b)	4,716	6,168	1,452	23.5%
Customer Operations ^(b)	8,111	9,114	1,004	11.0%
Other General Plant ^(b)	5,232	6,066	834	13.8%
Fleet ^(b)	4,516	4,480	(35)	-0.8%
Public Policy Transmission Upgrades	14,549	11,732	(2,818)	-24.0%
Property Acquisition ^(b)	23,648	25,290	1,643	6.5%
Utility 2.0	10,687	12,732	2,045	16.1%
Total T&D and Other Projects	739,656	759,985	\$20,329	2.7%

FEMA Storm Hardening ^(b)	18,540	6,464	(12,076)	-186.8%
Capital Storm	9,593	3,340	(6,253)	-187.2%
Total PSEG Long Island Capital	\$767,788	\$769,788	\$2,000	0.3%

Management Fee	35,083	35,102	20	0.1%
Pending Project Authorization Funds	-	47,175	47,175	100.0%
Nine Mile Point 2	4,783	4,268	(515)	-12.1%
LIPA Capital	855	6,000	5,145	85.8%
Total Capital Expenditures	\$808,509	\$862,334	\$53,825	6.2%

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

(Total Project Cost) – FY Actual 2025

Description	Original Total Project Cost (\$M)		Total Project Actuals Through 12/31/25 (\$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	\$52	\$52	100%	Dec-25
Bridgehampton to Buell: Transmission	\$46	2017	\$51	\$63	81%	Dec-25
System Separation	\$45	2022	\$72	\$75	96%	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	\$8	\$28	30%	Jun-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$9	\$54	17%	Dec-26
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$1	\$35	3%	Dec-27
Facility Operations Replacement	\$84	2018	\$16	\$242	7%	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	\$47	8%	Apr-29
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$38	1%	Jun-29
East Garden City Install Reactors on 138kV circuits (138-462/463)	\$14	2023	\$2	\$25	6%	Dec-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$6	\$49	11%	Dec-29
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$3	\$90	3%	Dec-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$2	\$46	4%	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 (7HM) - Substation Flood Remediation / Relocation	\$40	2024	\$0	\$37	0%	Dec-30
Facility Operations Replacement	\$69	2023	\$0	\$68	0%	Dec-33
Substation Security Expansion Project	\$53	2017	\$33	\$152	21%	Dec-33
Total	\$1,318		\$263	\$1,484		

- **Belmont: Convert substation from 33 kV to 69 kV Project**
 - Significant decrease in scope due to shorter underground transmission routes, no spare circuit needed and lower construction bids resulting in a lower total project cost estimate
 - Installed two circuits from Lake Success to Belmont.
 - Supplied the proposed load additions in Belmont area especially by the Belmont UBS arena.
- **Bridgehampton to Buell: Transmission Project**
 - Installed approximately 7.5 miles of 69kV cables between the Bridgehampton and Buell substations, through Sag Harbor utilizing Route 114.
 - Underspend is due to less concrete work than expected and construction contingency savings.
- **System Separation Project**
 - Separated LIPA IT systems from PSEG New Jersey
 - Required 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 were implemented successfully in April 2025. Email and Web Presence were migrated in August 2025. Remaining applications were separated by the end of 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**
 - Increase in scope resulting in higher total project cost estimate
 - Multi-year plan to install a centralized communications systems at substations.

Note¹: Project Update for Highlighted Projects – all projects are within budget and estimated time of completion.

Note²: Projects with December 2025 completion date are complete and in service.

Questions?

Donna Mongiardo
CFO

lipower.org

