



February 2026 Financial Results

Finance and Audit Committee

March 25, 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 – YTD February 2026

<i>(\$ in thousands)</i>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
Revenues	\$932,655	\$639,519	\$293,136	45.8%	\$4,300,637
Power Supply Charge	606,904	312,898	(294,006)	-94.0%	1,977,335
Revenue Net of Power Supply Charge	325,751	326,621	(870)	-0.3%	2,323,303
PSEG Long Island Operating and Managed Expenses					
PSEG Long Island Operating Expenses	106,065	112,793	6,728	6.0%	698,000
PSEG Long Island Managed Expenses	25,993	24,328	(1,665)	-6.8%	148,906
Utility Depreciation	65,002	64,520	(482)	-0.7%	411,059
PILOTs	59,955	58,994	(962)	-1.6%	357,300
LIPA Operating Expenses	17,401	16,763	(638)	-3.8%	121,788
LIPA Depreciation and Amortization	18,875	18,860	(15)	-0.1%	100,177
Interest Expense	54,662	60,509	5,847	9.7%	373,321
Total Expenses	\$347,954	\$356,767	\$8,814	2.5%	2,210,551
Other Income and Deductions	9,601	8,306	1,295	15.6%	71,825
Grant Income	3,306	3,280	27	0.8%	39,678
Total Non-Operating Revenue	\$12,907	\$11,585	\$1,322	11.4%	\$111,503
Change in Net Position	(\$9,296)	(\$18,561)	\$9,265	-49.9%	\$224,256

Note: Variance - favorable/(unfavorable)

LIPA Managed Expenses & Income – YTD February 2026

- LIPA operating expense is over budget (\$0.6M) due to PSEGLI management fee incentive comp assumptions vs. budget coupled with slightly higher allocation to O&M vs. Capital compared to the budget.
- Interest expense is under budget \$6M due to (i) lower interest rates for both short-term and long-term variable rate debt coupled with timing of scheduled payment dates for short-term and (ii) impact of the 2025 UDSA bond deal.
- Other income and deductions are favorable against the budget by \$1M due to higher than budgeted funds in the operating account.

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget
LIPA Expenses					
LIPA Operating Expenses	\$17,401	\$16,763	(\$638)	-3.8%	\$121,788
LIPA Depreciation and Amortization	18,875	18,860	(15)	-0.1%	100,177
Interest Expense, other Interest Costs and Interest Amortizations	54,662	60,509	5,847	9.7%	373,321
Total Expenses	\$90,938	\$96,132	\$5,195	5.4%	\$595,286
Other Income and Deductions	5,915	4,542	1,373	30.2%	49,726
Grant Income	3,306	3,280	27	0.8%	39,678
Total Income	\$9,221	\$7,822	\$1,399	17.9%	\$89,404
LIPA Capital	947	1,000	\$53	5.3%	5,000

Note: Variance - favorable/(unfavorable)

LIPA Liquidity Position – YTD February 2026

<i>(\$ in thousands)</i>	February 28, 2026	Days Cash	January 31, 2026	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 442,497		\$ 739,078	
OPEB Account cash, cash equivalents, and investments	907,779		893,567	
PSEG Long Island working capital requirements	364,551		297,786	
Total operating liquidity	1,714,827	189	1,930,431	213
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	525,270		525,270	
Total available credit	725,270		725,270	
Total cash, cash equivalents, investments, and available credit	\$ 2,440,097	270	\$ 2,655,701	293
Restricted cash and cash equivalents				
Clean Energy Compliance Fund	21,140		21,114	
UDSA	166,135		132,174	
Total restricted cash	\$ 187,275		\$ 153,288	

LIPA met its required 150 days of cash and available credit on hand

PSEG Long Island Operating Expenses – YTD February 2026

Total expense is under budget by \$7M primarily due:

(\$ in thousands)

- T&D is over budget by (\$1M) primarily due to cable repair activities.
- Asset Management is under budget by \$1M due to timing of Pole Inspections, lower management consulting services, software expenditures, training and lower staffing levels.
- IT & Cyber are under budget by \$4M due to lower application services software expense, telecommunications, as well as labor challenges in hiring qualified candidates.
- Energy Efficiency is under budget by \$1M due to lower rebate applications submitted by customers.
- Utility 2.0 is under budget by \$1M primarily due to lower application volume for Customer Side Make Ready DCFC Incentives than planned in the EV Make Ready Program.

PSEG Long Island Operating Expenses

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
Transmission & Distribution	\$31,167	\$30,260	(\$908)	-3.0%	\$188,644
Asset Management & Reliability	1,069	2,088	1,018	48.8%	13,192
Construction & Operations Services	8,361	7,848	(513)	-6.5%	46,070
Customer Services	19,553	20,447	894	4.4%	127,814
IT & Cybersecurity	15,242	19,661	4,419	22.5%	119,253
Business Services	12,644	11,780	(864)	-7.3%	78,257
Power System Management	3,760	3,815	56	1.5%	22,797
Energy Efficiency & Renewable Energy	12,785	14,173	1,388	9.8%	88,268
Utility 2.0	1,484	2,721	1,237	45.5%	13,705
Total PSEG Long Island Operating Expenses	\$106,065	\$112,793	\$6,728	6.0%	\$698,000

Note: Variance - favorable/(unfavorable)

PSEG Long Island Managed Expenses – YTD February 2026

- Storm expense is over budget by (\$1M) due to higher storm activity. The storm threshold was met once in February 2026 and it required mutual aid assistance.
- Pension & OPEB expense is under budget by \$1M due to discount rate updates in the actuarial models.
- PILOTs - Revenue-Based Taxes is over budget by (\$1M) due to higher revenue.
- PSEGLI Managed – Misc. is over budget by (\$1M) due to higher legal claims.

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>FY Budget</u>
PSEG Long Island Managed Expenses					
Uncollectible Accounts	\$4,245	\$3,969	(\$276)	-7.0%	\$23,207
Storm Restoration	14,165	12,819	(1,346)	-10.5%	82,000
NYS Assessment	1,896	1,851	(45)	-2.4%	11,215
Utility Depreciation	65,002	64,520	(482)	-0.7%	411,059
Pension & OPEB Expense	3,621	4,604	984	21.4%	27,086
PILOTs - Revenue-Based Taxes	8,204	7,243	(962)	-13.3%	46,794
PILOTs - Property-Based Taxes	51,751	51,751	(0)	0.0%	310,506
PSEGLI Managed - Misc	2,066	1,085	(981)	-90.4%	5,398
Total PSEG Long Island Managed Expenses	\$150,951	\$147,842	(\$3,109)	-2.1%	\$917,264
Other Income & Deductions	\$3,686	\$3,764	(\$78)	-2.1%	\$22,098

Note: Variance - favorable/(unfavorable)

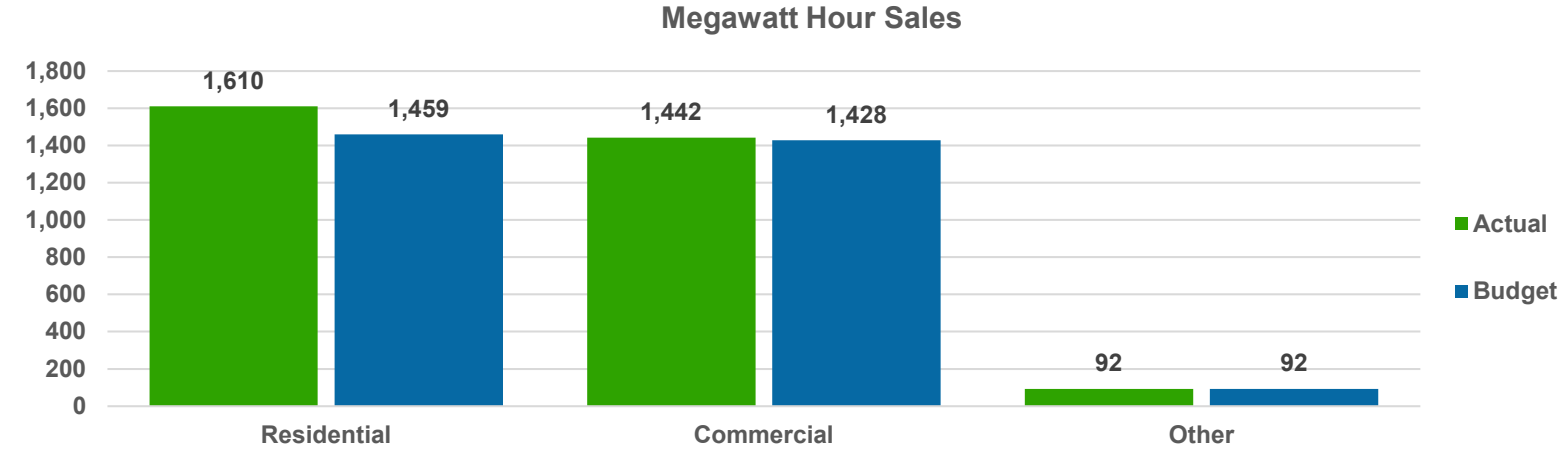
PSEG Long Island Revenue – YTD February 2026

- Revenue, net of PSCs, is in line with budget.
- Power Supply Charge is (\$294M) higher than budget due to extreme weather resulting in higher energy market prices and higher than planned natural gas and oil purchases.
- Total Sales of electricity are higher than budget due to colder than normal weather in January and February.

(\$ in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>Budget</u>
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Power Supply Charge	\$606,904	\$312,898	(\$294,006)	-94.0%	\$1,977,335
Revenue Net of Power Supply Costs	<u>\$325,751</u>	<u>\$326,621</u>	<u>(\$870)</u>	<u>-0.3%</u>	<u>\$2,323,303</u>

Note: Variance - favorable/(unfavorable)



Capital Expenditures – YTD February 2026

- T&D is over budget by (\$1M) due to Reliability related to emergent cable failure partially offset by construction schedule changes related to new operation facilities.
- Other General Plant is under budget by \$2M due to the delayed commencement of the Medford facility development.
- FEMA is over budget by (\$2M) due to procurement and construction work related to Branch Line Re-Closers project.
- Capital Storm is over budget by (\$1M) due to higher storm activity and higher capitalization rate.
- Nine Mile Point 2 is under budget by \$3M due to centralizing nuclear-fuel procurement activities which resulted in reduced fueling costs.

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget
Transmission and Distribution					
Regulatory Driven	\$483	(\$182)	(\$665)	365.4%	\$780
Load Growth	17,035	18,991	1,956	10.3%	140,168
Reliability	55,920	46,471	(9,449)	-20.3%	342,934
Storm Hardening	583	354	(229)	-64.7%	4,839
Other T&D Capital	5,491	12,619	7,128	56.5%	164,273
Total T&D Projects	\$79,512	\$78,253	(\$1,259)	-1.6%	\$652,994
Other PSEG Long Island Capital Expenditures					
IT & Cybersecurity ^(a)	4,193	4,328	136	3.1%	67,561
Customer Operations ^(a)	1,008	1,201	193	16.1%	5,991
Other General Plant	1,980	3,541	1,561	44.1%	61,069
Fleet	4,933	4,945	12	0.2%	27,665
Public Policy Transmission Upgrades	4,221	4,204	(17)	-0.4%	38,179
Property Acquisition	-	-	-	0.0%	5,800
Utility 2.0	1,405	1,062	(342)	-32.2%	10,193
Total T&D and Other Projects	97,252	97,534	\$283	0.3%	869,450
FEMA ^(a)	10,178	8,070	(2,109)	-26.1%	153,008
Capital Storm	2,350	1,259	(1,091)	-86.6%	8,200
Total PSEG Long Island Capital	\$109,780	\$106,863	(\$2,917)	-2.7%	\$1,030,659
Management Fee	6,234	6,347	113	1.8%	36,189
Pending Project Authorization Funds	-	182	182	100.0%	73,781
Nine Mile Point 2	24,159	26,699	2,540	9.5%	34,565
LIPA Capital	947	1,000	53	5.3%	5,000
Total Capital Expenditures	\$141,120	\$141,091	(\$29)	0.0%	\$1,180,194

Note: Variance - favorable/(unfavorable)

(a) PSEG Long Island Pending Project Authorizations are budgeted resources held outside the PSEG Long Island Budget pending additional project information. YTD in 2026, LIPA released \$10M for T&D, \$0.3M for IT projects, \$2M for Customer Service, and \$93M for FEMA. Both the YTD and FY Budgets have been adjusted.

PSEG Long Island Major Capital Expenditures – Over \$25M (Total Project Cost) – YTD February 2026

Description	Original Total Project Cost (\$M)		Total Project Actuals Through 2/28/26 (\$M)	Current Working Estimate (\$M)	Spend Progress	Current Estimated Completion Date
	Cost Estimate	Date of Cost Estimate				
	North Bellmore Install 33 MVA Bank, Swgr, Feeders & C&R	\$22	2020	\$13	\$28	45%
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$11	\$54	20%	Dec-26
New Operations Yard	\$57	2022	\$24	\$91	26%	Mar-27
Facility Operations Replacement	\$84	2018	\$18	\$242	7%	Dec-27
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$1	\$35	4%	Dec-27
Enterprise Asset Management System	\$48	2022	\$5	\$61	8%	Dec-28
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$38	1%	Jun-29
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$3	\$90	3%	Dec-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$7	\$49	14%	Dec-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$2	\$23	8%	May-30
Syosset Install new 138kV PAR on terminal for new circuit	\$44	2024	\$3	\$44	8%	Apr-30
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$4	\$47	8%	Apr-31
Far Rockaway New Circuit to Supply the Load Pocket	\$165	2025	\$0	\$165	0%	May-32
New Wainscott Sub w New Exp 138kV feeder	\$676	2025	\$0	\$676	0%	Jun-33
Substation Security Expansion Project	\$53	2017	\$33	\$113	30%	Dec-33
Total	\$1,618		\$125	\$1,756		

- **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.
- **Southampton Install new 138kV cable to Deerfield**
 - Install approximately 4.5 miles of new 138 kV cable (operating at 69 kV) between the Southampton and Deerfield substations.
 - Includes the installation of new terminals, Busbar switches, and ground switches at each substation.
- **New Operations Yard**
 - Purchase and construct a new operations center in Medford, NY that consolidates two locations into one operating center.
- **Northport Install new 138kV Phase Angle Regulator**
 - Work required as part of NYISO PPTN.
 - Project adds a second Phase Angle Regulator to an existing substation, offering higher ability to route power.
- **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.

Questions?

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