2025 Year-End Report on PSEG Long Island Performance Metrics

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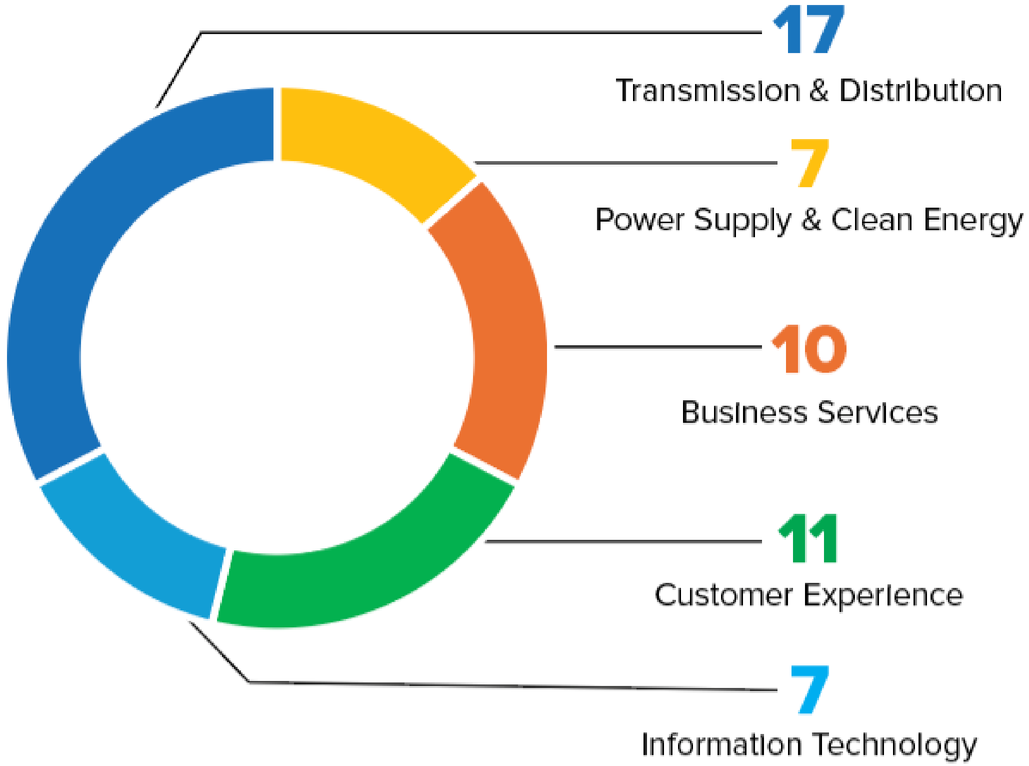
June 24, 2026

PSEG Long Island 2025 Metrics

- For 2025, LIPA recommended fifty-two (52) performance standards distributed across all the management services provided by PSEG Long Island to LIPA and its customers.

- Metrics are designed to be achievable, objectively verifiable performance levels, with budgeted funds to achieve them.

- Based on these performance standards, $23.9 million of Variable Compensation* is at risk.



*indexed for the Consumer Price Index, as specified in the OSA

Quarterly and Annual Performance Metric Reporting

- Throughout 2025, LIPA Independently Verified and Validated (IV&V) PSEG Long Island's performance for each metric.

- PSEG Long Island submitted its 2025 Incentive Compensation Claim to LIPA on March 31, 2026.

- LIPA issued a written Year-End Report on 2025 Performance Metrics on May 15, 2026, describing LIPA's evaluation of the 52 metrics and the resulting 2025 Variable Compensation to be awarded to PSEG Long Island.

- LIPA's evaluation differed from PSEG Long Island's submission in two (2) areas:
  - **T&D-01: Asset Management Program Implementation – Asset Inventory**, where LIPA determined the required asset inventory accuracy threshold was not achieved and awarded no incentive compensation.
  - **IT-06: Project Performance – New 2025 Projects**, where LIPA validated the completion of six (6) of eight (8) projects and awarded partial incentive compensation accordingly.

- LIPA's written report is followed by an independent review of LIPA's evaluation by the Department of Public Service which was received on June 16, 2026.

Performance Metric Monitoring

- A LIPA team, including an Executive Sponsor from LIPA's senior management, a Project Manager, and/or Subject Matter Experts, monitors each metric.

- All metrics fall into one of two categories:
  - **23 Qualitative Metrics** that are project-oriented initiatives, incorporating one or more required deliverables with defined target dates. This also includes Hybrid Metrics, which have both Qualitative and Quantitative deliverables.
  - **29 Quantitative Metrics** that specify predefined numerical measurements of performance.

- Additionally, the OSA also contains certain Gating and Default Metrics, which are minimum performance levels related to reliability, customer service, cybersecurity, budgets, and emergency preparation and response that, if not met, can significantly reduce the available pool of compensation or permit LIPA to terminate the contract.

Metric Performance Evaluation

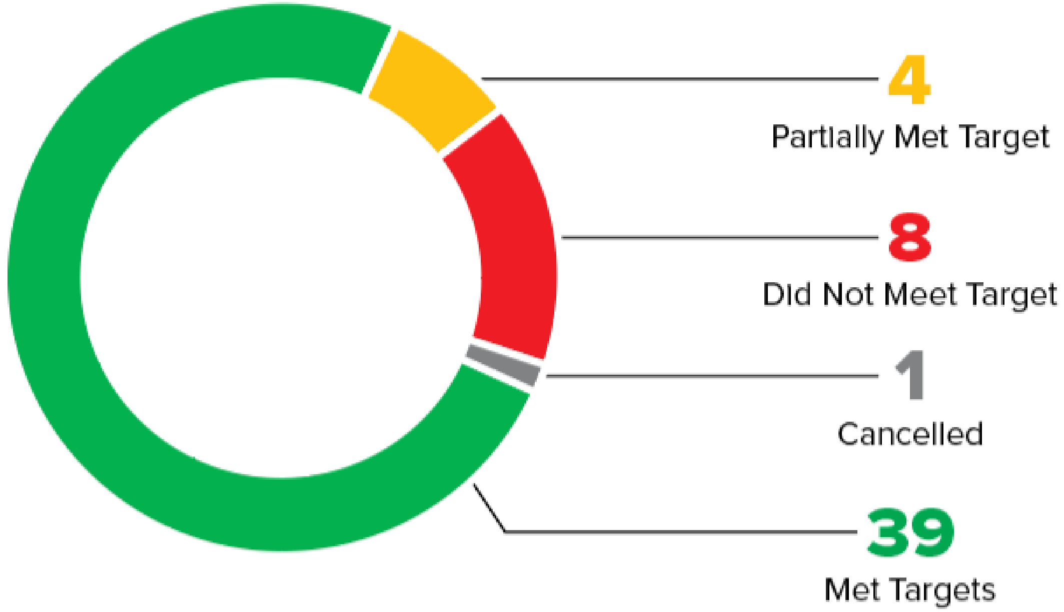
At year-end, performance on each Qualitative and Quantitative metric is evaluated against the established standards and requirements/targets for the metric, and LIPA decides on the final status and incentive award:

- **Met Metric** Standards/Target – All metric requirements were met by the established standards; performance qualifies for the full allocated incentive compensation.
- **Partially Met Metric** Standards/Target – If allowed for by the metric's terms and per those terms, metric requirements were partially met; performance qualifies for part of the allocated incentive compensation.
- **Did Not Meet Metric** Standards/Target – Mandatory metric requirements were not met, so performance does not qualify for incentive compensation.

Year-End Metric Performance by Scope

- **LIPA evaluated the year-end performance of each metric and determined that thirty-nine (39) of the fifty-two (52) Performance Metrics were met, four (4) were partially met, eight (8) were not met, and one (1) was canceled.**

- Overall metric performance was 75% fully met, 8% partially met, 15% not met, and 2% canceled.



Incentive Compensation Awards

Based on LIPA's evaluation, PSEG Long Island qualifies for $18,655,103.30 of Variable Compensation out of $23,895,911.04 for 2025, or 78.1% of the total available compensation, as outlined below across each scope function.

Scope	Allocated Compensation	PSEGLI Claimed Compensation	LIPA Awarded Compensation	% LIPA Compensation Awarded
Business Services	$3,584386.66	$3,584,386.66	$3,584,386.66	100%
Customer Service	$4,779,182.21	$3,524,646.88	$3,524,646.88	73.8%
Information Technology	$3,584,386.66	$3,464,907.10	$3,421,459.99	95.5%
Power Supply & Clean Energy	$2,389,591.10	$2,270,111.55	$2,270,111.55	95%
Transmission & Distribution	$9,558,364.42	$6,870,074.42	$5,854,498.22	61.3%
Grand Total	**$23,895,911.04**	**$19,714,126.60**	**$18,655,103.30**	**78.1%**

Selected Metrics: Successes

- Strong performance in **Work Management** (T&D-18, T&D-24)**,** and **Capital Projects & Construction** (T&D-36, T&D-37) with targets fully met.
- **Storm Outage Response Performance (T&D-50)** was above 80% of the applicable points on the one storm in 2025. On December 19, 2025, PSEG Long Island scored 925/950 points which is 97.37%.
- PSEG Long Island achieved success in **Momentary Average Interruption Frequency Index (MAIFI) Reliability** (T&D-09) and **Reduce Momentary Multiple Customer Outage (M-MCOs)** (T&D-12) through the continuation of its Power On, Tree Trim, Circuit Improvement, and other initiatives.
- PSEG Long Island completed the **System Separation** project (IT-07). They also developed and implemented **Ransomware Readiness and Response** (IT-09) plans to ensure that any suspected or confirmed ransomware incidents are responded to consistently, controlled, and managed effectively.
- PSEG Long Island is in first place among the other electric and combined electric/gas utilities in New York State, with the fewest **customer complaints** registered with the NY Department of Public Service/Public Service Commission (CS-19).

Selected Metrics: Successes

- PSEG Long Island achieved the 2025 target ranking 1st out of twelve utilities in the East Large Region for **J.D. Power Customer Satisfaction Survey (Business)** (CS-03).
- The **Contact Center Service Level with Live Agent Calls** (CS-11) exceeded its year-end goal with a result of 78.1% of calls being answered within thirty (30) seconds, in addition to exceeding the **Call Average Handle Time (AHT)** (CS-31) target of 433 seconds with a result of 426 seconds.
- The **Beneficial Electrification – Building Electrification** (PS&CE-05) metric aimed at motivating PSEG Long Island to achieve Beneficial Electrification Targets from the Utility 2.0 filing, in alignment with the LIPA portion of Governor Hochul's 2 million home clean energy goals for the whole home electrification and home electrification-ready target. PSEG Long Island installed 5,381 Whole House Heat Pump Housing Units, exceeding the target of 5,330.
- Rebate and incentive spending in **Disadvantaged Communities (DACs)** accounted for 52.4% of the total incentive spending, exceeding the DAC spend target of 35%.
- The **Heat Pump Strategy to Address Barriers to Customer Adoption** (PS&CE-13) metric was met, which included implementing multiple customer outreach, contractor engagement, training, and program enhancement initiatives associated with beneficial electrification objectives.

Selected Metrics: Challenges

- **J.D. Power Residential** (CS-02) year-end PSEG Long Island ranked 11th of 18 utilities, which is 3rd Quartile, and lower than their target of 5th Rank and 1st Quartile.
- **Interactive Voice Response (IVR) Containment Rate** (CS-25) achieved a year-end performance of 52.38%, below the target of 58.43%. LIPA's review identified continued opportunities for improvement in self-service functionality and customer interaction processes.
- **System Average Interruption Duration Index (SAIDI) Reliability** (T&D-07) is a standard reliability metric that measures the average sustained outage of five minutes or more for each customer served. PSEG Long Island did not meet the year-end target of 56.5 with a result of 62.3. Increased storm activity during 2025 negatively affected performance.
- As with SAIDI above, **System Average Interruption Frequency Index (SAIFI) Reliability** (T&D-08) also missed the target of 0.68 with a 2025 year-end 0.76 average number of sustained interruptions of five minutes or more for each customer served. These reliability metrics were affected by increased storm activity, with a total of fifteen (15) storm events in 2025.
- PSEG Long Island incurred one (1) **serious injury incidents (T&D-13),** therefore, they did not meet a crucial safety metric component of the LIPA Board’s Safety Policy.

Questions?

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LIPA

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Year-End Report on 2025 PSEG Long Island Performance Metrics

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EXECUTIVE SUMMARY

This report presents LIPA's evaluation of PSEG Long Island's performance against the 2025 Performance Metrics established under the Second Amended and Restated Operations Services Agreement (OSA). The report reflects LIPA's ongoing oversight responsibilities as the owner of Long Island's electric transmission and distribution system and includes LIPA's review and validation of the incentive compensation claim submitted by PSEG Long Island on March 31, 2026.

The 2025 Performance Metrics were designed to align operational performance with the strategic direction established by the LIPA Board of Trustees through Board policies, approved strategic initiatives, and long-term operational objectives. The metrics measure performance across five core service areas: Business Services, Customer Experience, Information Technology, Power Supply & Clean Energy, and Transmission & Distribution.

For 2025, LIPA evaluated fifty-two (52) Performance Metrics covering reliability, customer service, storm response, information technology, safety, clean energy implementation, financial management, and operational performance. Following LIPA's review and validation process:

- Thirty-nine (39) metrics were determined to have met their established targets;
- Four (4) metrics were partially achieved;
- Eight (8) metrics were not achieved; and
- One (1) metric was canceled by agreement between LIPA and PSEG Long Island.

LIPA's evaluation determined that PSEG Long Island earned $18,655,103.30 in Variable Compensation for 2025 out of a total available amount of $23,895,911.04, representing 78.1% of the total compensation at risk under the performance metric program. This reflects a reduction of $1,059,023.30 from the amount claimed by PSEG Long Island in its March 31, 2026, submission.

LIPA's evaluation differed from PSEG Long Island's submission in two areas:

- T&D-01: Asset Management Program Implementation – Asset Inventory, where LIPA determined the required asset inventory accuracy threshold was not achieved and awarded no incentive compensation; and
- IT-06: Project Performance – New 2025 Projects, where LIPA validated the completion of six (6) of eight (8) projects and awarded partial incentive compensation accordingly.

The 2025 evaluation identified strong performance in several operational areas, including business customer satisfaction, implementation of Time-of-Day rates, electrification initiatives, vegetation management performance, storm response execution, and progress on major information technology initiatives, including completion of the IT System Separation program. The evaluation also identified areas requiring continued improvement, including certain reliability metrics, customer call performance metrics, and safety performance.

Throughout the year, LIPA continuously monitored metric performance through formal oversight processes that included monthly scorecard reviews, project milestone tracking, deliverable validation, executive oversight, and ongoing coordination with the Department of Public Service (DPS). The performance management framework is intended to promote accountability, transparency, operational discipline, and measurable customer benefits.

This report provides LIPA's final year-end assessment of PSEG Long Island's performance for 2025 and supports the Board's oversight of operational performance, customer outcomes, and incentive compensation under the OSA.

2025 PERFORMANCE METRICS

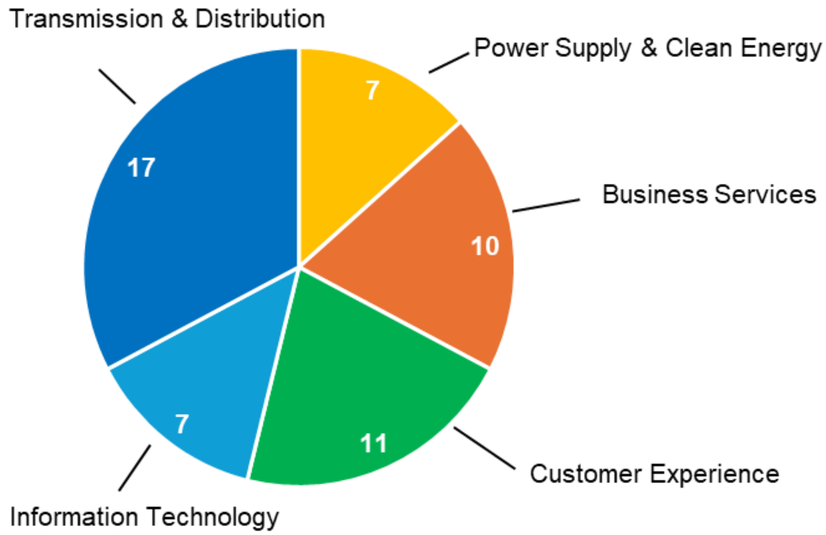
Under the Second Amended and Restated Operations Services Agreement (OSA), a portion of PSEG Long Island's compensation is tied to performance against annual Performance Metrics established by LIPA. For 2025, approximately $23.9 million in Variable Compensation was placed at risk based on achievement of defined operational, customer service, financial, reliability, information technology, and clean energy objectives.

The Performance Metrics framework is intended to align PSEG Long Island's operational performance with the strategic direction established by the LIPA Board of Trustees and to promote accountability, transparency, and measurable customer benefits. The metrics are designed to establish clear, objectively verifiable performance standards tied to key areas of electric utility operations and customer experience.

Beginning in 2023, LIPA assumed responsibility for establishing the annual Performance Metrics and associated performance targets under the reformed OSA structure. As part of this process, the New York State Department of Public Service (DPS), acting in an advisory capacity to the Board of Trustees, independently reviews and provides recommendations regarding the proposed metrics and targets prior to Board consideration and approval.

The 2025 Performance Metrics consisted of fifty-two (52) individual metrics distributed across five operational scope areas:

- Business Services
- Customer Experience
- Information Technology
- Power Supply & Clean Energy
- Transmission & Distribution



The metrics included both quantitative and qualitative performance measures addressing areas such as electric reliability, customer satisfaction, storm response, safety, operational efficiency, cybersecurity, electrification initiatives, capital planning, vegetation management, and financial controls.

Throughout the year, LIPA continuously monitored PSEG Long Island's performance through an established oversight and validation process that included monthly scorecard reviews, project milestone tracking, deliverable reviews, executive oversight, and ongoing coordination with DPS. LIPA assigned Project Managers and subject matter experts to oversee each metric and validate performance results against established standards and requirements.

Pursuant to the OSA, PSEG Long Island submitted its year-end evaluation and Variable Compensation claim to LIPA within ninety (90) days following the close of the contract year. LIPA then conducted an independent review and validation of the submitted results, including supporting documentation, performance calculations, and compliance with metric requirements and approved exceptions. Following completion of LIPA's review, the evaluation is provided to DPS for independent review prior to final determination and payment of Variable Compensation.

PERFORMANCE METRIC REVIEW PROCESS

The 2025 Performance Metrics included both quantitative and qualitative measures designed to evaluate PSEG Long Island's operational performance, execution of strategic initiatives, and delivery of customer benefits. Each metric included defined standards, targets, deliverables, and validation requirements established by LIPA.

The fifty-two (52) Performance Metrics were categorized as follows:

- 29 Quantitative Metrics, which measure performance using predefined numerical targets and calculations. These metrics evaluate operational outcomes such as electric reliability, customer service performance, safety, arrears management, and clean energy participation rates.
- 23 Qualitative Metrics, which evaluate completion of defined initiatives, projects, plans, studies, process improvements, or other required deliverables. Some metrics also included both qualitative and quantitative components and were evaluated using a hybrid approach.

LIPA continuously monitored PSEG Long Island's performance throughout the year through a formal oversight and validation process. Each metric was assigned to a LIPA Project Manager responsible for coordinating the review and validation process, supported by subject matter experts and Executive Sponsors from LIPA senior management.

Qualitative Metrics were monitored through a centralized performance management system designed to track deliverables, due dates, review status, comments, approvals, and supporting documentation. PSEG Long Island submitted deliverables directly into the system for LIPA review and validation. The system provides transparency and traceability through time-stamped submissions, documented review history, and shared access for LIPA, PSEG Long Island, and DPS.

For Qualitative Metrics, the review process generally included the following steps:

- Submission of Deliverables: PSEG Long Island submitted required deliverables in accordance with the metric requirements and established due dates.
- LIPA Review and Validation: LIPA reviewed submitted materials to determine whether the deliverables satisfied the requirements and objectives of the metric. Where necessary, LIPA requested revisions, clarifications, or additional supporting documentation.
- Exception Requests: Under the OSA, PSEG Long Island may request exceptions related to deliverable timing, scope, methodology, or other metric requirements. LIPA evaluated all exception requests based on reasonableness, justification, operational impacts, and consistency with the underlying objective of the metric.

Quantitative Metrics were primarily monitored through monthly scorecards and supporting data submissions provided by PSEG Long Island. LIPA conducted regular review meetings with PSEG Long Island and DPS to review year-to-date performance, trends, calculations, assumptions, and projected year-end results. LIPA independently reviewed supporting data and validated metric calculations against approved methodologies and established targets.

At year-end, LIPA completed a final evaluation of each metric based on compliance with established standards, targets, and approved exceptions. Metrics were assigned one of the following outcomes:

- Met: All required standards and targets were achieved, resulting in full incentive compensation for the metric.
- Partially Met: Partial achievement was attained in accordance with the metric's approved scoring methodology, resulting in partial incentive compensation.

- Did Not Meet: Required standards or targets were not achieved, resulting in no incentive compensation for the metric.
- Canceled: The metric was canceled by agreement between LIPA and PSEG Long Island in accordance with the OSA or approved metric administration processes.

In addition to individual metrics, the OSA includes Gating and Default Metrics associated with key operational areas such as reliability, customer service, cybersecurity, budgets, and emergency preparedness. These provisions establish minimum performance thresholds that may reduce available incentive compensation or trigger additional contractual remedies if not achieved. PSEG Long Island successfully met the requirements for all of the Gating and Default metrics.

This oversight and validation framework is intended to promote accountability, operational transparency, continuous improvement, and alignment between PSEG Long Island's performance and the expectations established by the LIPA Board of Trustees.

PERFORMANCE METRIC EXCEPTIONS

Under the Performance Metrics framework, PSEG Long Island may submit requests for exceptions to specific metric requirements, deliverables, methodologies, or established due dates when circumstances warrant additional flexibility or modification. LIPA reviews all exception requests in accordance with the requirements of the OSA and evaluates each request based on its justification, operational impacts, consistency with the intent of the metric, and overall benefit to customers and utility operations.

During the 2025 metric year, PSEG Long Island submitted 192 Exception Requests associated with the Performance Metrics program. LIPA approved 148 requests and denied 44 requests following its review and validation process.

Exception Requests generally fell into several categories, including:

- Extensions to deliverable due dates;
- Revisions to project schedules or implementation sequencing;
- Modifications to project scope or methodology; and
- Limited waivers or removal of deliverables that were no longer applicable due to approved changes in project timing or scope.

In many cases, Exception Requests were associated with evolving project conditions, external dependencies, implementation timing adjustments, or the need for additional refinement of deliverables to ensure alignment with the objectives of the metric. Certain requests were also associated with corrective actions or revisions identified through LIPA's oversight and review process.

LIPA's evaluation of Exception Requests focused on maintaining accountability while also ensuring that the Performance Metrics program remained practical, results-oriented, and aligned with the underlying operational and customer objectives of each metric. Approval of an Exception Request did not waive the requirement for performance or successful completion of the metric unless specifically identified in the approved exception.

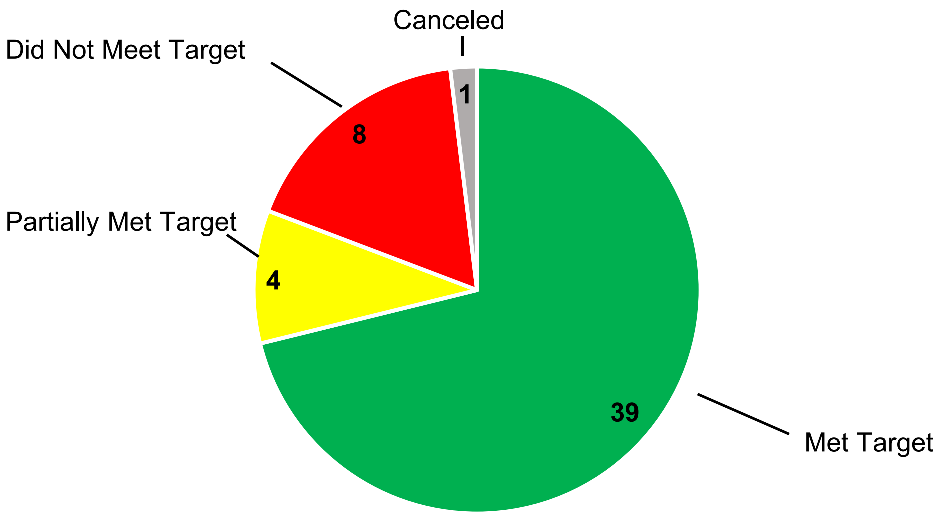
Where an Exception Request was approved, performance was evaluated against the modified requirements, timelines, or standards established through the approved exception determination. All approved exceptions were documented as part of the formal metric administration and oversight process.

The Exception Request process is intended to provide appropriate administrative flexibility while preserving the integrity, transparency, and accountability of the Performance Metrics framework.

2025 YEAR-END EVALUATION

Figure 2 summarizes the overall status of all fifty-two (52) Performance Metrics as of December 31, 2025. LIPA evaluated the year-end performance of each metric and determined that thirty-nine (39) of the fifty-two (52) Performance Metrics were met, four (4) were partially met, eight (8) were not met, and one (1) was canceled. PSEG Long Island fully met 75% of the metrics for 2025, producing beneficial results for LIPA's customers.

Figure 2: 2025 Performance Metrics Status Summary



Scope	# of Metrics	Met	Partially Met	Not Met	Canceled
Business Services	10	10	0	0	0
Customer Experience	11	8	0	3	0
Information Technology	7	4	2	0	1
Power Supply & Clean Energy	7	6	1	0	0
Transmission & Distribution	17	11	1	5	0
Total	**52**	**39**	**4**	**8**	**1**

Based on LIPA's evaluation, PSEG Long Island qualifies for $18,655,103.30 of Variable Compensation out of $23,895,911.04 for 2025, or 78.1% of the total available compensation, as outlined below across each scope function.

Scope	Allocated Compensation	PSEGLI Claimed Compensation	LIPA Awarded Compensation	% LIPA Compensation Awarded
Business Services	$3,584,386.66	$3,584,386.66	$3,584,386.66	100.0%
Customer Experience	$4,779,182.21	$3,524,646.88	$3,524,646.88	73.8%
Information Technology	$3,584,386.66	$3,464,907.10	$3,421,459.99	95.5%
Power Supply & Clean Energy	$2,389,591.10	$2,270,111.55	$2,270,111.55	95.0%
Transmission & Distribution	$9,558,364.42	$6,870,074.42	$5,854,498.22	61.3%
Grand Total	**$23,895,911.04**	**$19,714,126.60**	**$18,655,103.30**	**78.1%**

METRIC PERFORMANCE BY BUSINESS SCOPE

Below is a detailed discussion of performance for each scope area and individual metric.

BUSINESS SERVICES

LIPA's evaluation determined that PSEG Long Island met all ten (10) Business Services metrics for 2025. Performance in this scope included implementation of enhanced financial controls, development of zero-based budgeting methodologies for affiliate costs, expanded procurement and contract management practices, improved transparency into assessment allocation processes, and implementation of workforce and productivity tracking initiatives.

The Business Services metrics were designed to strengthen financial oversight, improve operational transparency, support cost management, and enhance governance associated with budgeting, procurement, staffing, and project controls. During 2025, LIPA validated completion of the required deliverables and reviewed supporting documentation associated with budgeting methodologies, work order audits, productivity reporting, procurement strategies, and staffing metrics.

Based on LIPA's evaluation, PSEG Long Island earned the full available incentive compensation for the Business Services scope: $3,584,386.66 out of a potential $3,584,386.66.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
BS-13	Information Request (IR) Responses	$238,959.11	Met	$238,959.11
BS-22	Timely, Accurate, and Supported Storm Event Invoicing	$179,219.33	Met	$179,219.33
BS-42	Develop Annual Zero-Based Budget (ZBB) for each "Affiliate Cost" category for LIPA's review and approval	$716,877.33	Met	$716,877.33
BS-43	Implement Standards and Methods to reduce project variances including risk and contingency management	$238,959.11	Met	$238,959.11
BS-44	Establish Annual Assessment Allocation Model for LIPA's approval with quarterly selected work orders audits	$298,698.89	Met	$298,698.89
BS-45	Develop Methods and Standards for Tracking Productivity Gains and Sharing CapEx and OpEx Savings	$179,219.33	Met	$179,219.33
BS-48	Strategic Supplier MSAs	$716,877.33	Met	$716,877.33
BS-50	Time to Start	$119,479.56	Met	$119,479.56

BS-51	HR Cost Efficiency Per Employee	$418,178.44	Met	$418,178.44
BS-52	Unit Price Contract Reassessment	$477,918.22	Met	$477,918.22

BS-13 – Information Request (IR) Responses

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	94%	Met	$238,959.11

This metric measured PSEG Long Island's responsiveness to formal LIPA information and document requests associated with operations services provided under the OSA. LIPA validated that required responses were provided within the established timelines during 2025, consistent with the metric requirements. PSEG Long Island met this metric.

BS-22 – Timely, Accurate, and Supported Storm Event Invoicing

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	90%	Met	$179,219.33

This metric ensured that PSEG Long Island provided timely, accurate, and appropriately supported storm event costs to LIPA. During 2025, PSEG Long Island had fifteen (15) storms, for which the invoices were due to LIPA throughout 2025, and met the criteria under the metric. All monthly status reports were received on time, reviewed for accuracy, and approved by LIPA. PSEG Long Island has met this metric.

BS-42 – Develop Annual Zero-Based Budget (ZBB) for each "Affiliate Cost" Category for LIPA's Review and Approval

Metric Type	YTD Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$716,877.33

The objective of this metric was to ensure an appropriate scope of work is assigned to affiliates and that there is a comprehensive, auditable justification of the affiliate cost basis. Affiliate charges have a significant impact on overall O&M. Visibility into the functions provided and the level of detail related to specific functions, is necessary to ensure PSEG Long Island is charging the appropriate support charges to operate PSEG Long Island. PSEG Long Island has successfully completed the Annual Zero-Based Budget (ZBB) for each "Affiliate Cost" category and has met the requirements of this metric.

BS-43 – Implement Standards and Methods to Reduce Project Variances Including Risk and Contingency Management

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$238,959.11

This metric focused on improving capital project estimating, variance reporting, and project controls to support prudent capital planning and enhanced financial oversight. During 2025, PSEG Long Island implemented enhanced reporting and tracking methodologies for major capital projects, including variance monitoring and supporting analysis of key cost drivers. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

BS-44 – Establish Annual Assessment Allocation Model for LIPA's Approval with Quarterly Selected Work Orders Audits

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$298,698.89

This metric was successfully completed. The deliverables under this metric provided greater transparency into the costs currently populating the PSEG Long Island assessment pools. PSEG Long Island has already created a monthly process to monitor assessment rate volatility and investigate the underlying causes. The accomplishments in this year's metric will help meet the recommendations outlined in Management Audit IV-2.

BS-45 – Develop Methods and Standards for Tracking Productivity Gains and Sharing CapEx and OpEx Savings

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$179,219.33

This metric ensured that PSEG Long Island fully utilized LIPA's new budget system to maximize the benefits of improving budget development, monitoring, reporting, and analysis. PSEG Long Island has created and shared a tracking worksheet that monitors and reports on selected CapEx and OpEx initiatives and the associated savings from productivity gains. This report includes variance explanations and a forecast of final costs. PSEG Long Island met this metric.

BS-48 – Strategic Supplier MSAs

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$716,877.33

This metric focused on strengthening procurement efficiency, strategic sourcing practices, and long-term contract management for critical operational categories. During 2025, PSEG Long Island implemented strategic sourcing initiatives and advanced multi-year Master Service Agreements for key equipment and service categories. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

BS-50 – Time to Start

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	88.0	97.5	Met	$119,479.56

This metric measured the efficiency of recruitment and onboarding processes associated with filling open positions. PSEG Long Island achieved a year-end time-to-start performance of 88 days compared to the target of 97.5 days, exceeding the metric target. LIPA's review identified continued opportunities for improvement in certain specialized operational areas, including Information Technology, Cybersecurity, Transmission & Distribution, and Construction and Operations Services staffing. PSEG Long Island met this metric.

BS-51 – Human Resources Cost Efficiency Per Employee

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	-5%	-9%	Met	$418,178.44

This metric evaluated the efficient use of Human Resources services and associated support costs on a per-employee basis. The 2025 target required a 5% reduction in combined PSEG Long Island and affiliate HR costs per employee compared to 2024 actual costs. PSEG Long Island achieved a 9% reduction, exceeding the established target. LIPA validated the submitted calculations and determined that the metric requirements were met.

BS-52 – Unit Price Contract Reassessment

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$477,918.22

This metric focused on improving competition, transparency, and cost controls associated with contractor assignments under Unit Price Blanket agreements. During 2025, PSEG Long Island reviewed high-spend unit price contracts, updated procurement guidance, and implemented enhanced procedures related to competitive quoting and assignment practices. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

CUSTOMER EXPERIENCE

LIPA's evaluation determined that PSEG Long Island met eight (8) of the eleven (11) Customer Experience metrics for 2025, while three (3) metrics were not achieved. Performance within this scope reflected mixed results across customer satisfaction, contact center operations, collections performance, customer outreach, and digital engagement initiatives.

Areas of strong performance included business customer satisfaction rankings, contact center responsiveness, arrears management, low-to-moderate income program participation, customer complaint performance, average handle time, and e-bill enrollment growth. PSEG Long Island also maintained the lowest customer complaint rate among New York electric and combination utilities as measured by complaints filed with the Department of Public Service.

Metrics related to residential J.D. Power rankings, First Call Resolution, and Interactive Voice Response (IVR) containment did not achieve established targets. LIPA's review identified continued opportunities for improvement in customer interactions, self-service functionality, and residential customer satisfaction performance.

Based on LIPA's evaluation, PSEG Long Island earned $3,524,646.88 in incentive compensation for the Customer Experience scope out of a potential $4,779,182.21.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
CS-02	J.D. Power Customer Satisfaction Survey (Residential)	$537,658.00	Did Not Meet	$0.00
CS-03	J.D. Power Customer Satisfaction Survey (Business)	$507,788.11	Met	$507,788.11
CS-11	Contact Center Service Level with Live Agent Calls	$716,877.33	Met	$716,877.33
CS-13	First Call Resolution	$119,479.56	Did Not Meet	$0.00
CS-14	Net Write-Off as a % of Revenue	$597,397.78	Met	$597,397.78
CS-15	Arrears Aging Percent > 90 Days Past Due	$597,397.78	Met	$597,397.78
CS-17	Low to Moderate Income Program Participation	$238,959.11	Met	$238,959.11
CS-19	Customer Complaint Rate	$298,698.89	Met	$298,698.89
CS-25	Interactive Voice Response (IVR) Containment Rate	$597,397.78	Did Not Meet	$0.00
CS-31	Call Average Handle Time (AHT)	$238,959.11	Met	$238,959.11

CS-36	E-Bill Enrollment	$328,568.78	Met	$328,568.78

CS-02 – J.D. Power Customer Satisfaction Survey (Residential)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	3rd Quartile/ 11th Rank	1st Quartile or 5th Rank	Did Not Meet	$0.00

This metric measured residential customer satisfaction performance using the J.D. Power East Region Large Segment rankings. The 2025 target required achievement of a 1st Quartile ranking or 5th overall rank. PSEG Long Island concluded the year ranked 11th, which did not meet the established target. While residential customer satisfaction performance remained competitive relative to industry peers, the stretch performance level established under the metric was not achieved. LIPA determined that the metric requirements were not met.

Note: In 2025, J.D. Power Survey revised its overall survey structure by introducing a new set of core questions, a rating scale, and weighting factors for the eight (8) new dimensions.

CS-03 – J.D. Power Customer Satisfaction Survey (Business)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	1st Rank	1st Quartile	Met	$507,788.11

PSEG Long Island achieved the 2025 target ranking 1st out of twelve utilities in the East Large Region. Drivers of success included community outreach by Business First Associates and marketing campaigns targeted to small businesses and economic development.

Note: In 2025, J.D. Power revised its overall survey structure by introducing a new set of core questions, a rating scale, and weighting factors for the eight (8) new dimensions.

CS-11 – Contact Center Service Level with Live Agent Calls

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	78.1%	77.0%	Met	$716,877.33

This metric measured contact center responsiveness based on the percentage of customer calls answered within thirty (30) seconds. PSEG Long Island achieved a year-end performance of 78.1%, exceeding the target of 77.0%. Staffing, scheduling, and operational process improvements contributed to the achieved result. LIPA validated the submitted performance data and determined that the metric requirements were met.

CS-13 – First Call Resolution

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	80.9%	81.0%	Did Not Meet	$0.00

This metric measures Call Center proficiency in satisfactorily resolving customer issues and questions during the initial call. PSEG Long Island did not meet the 81.0% target. During 2025, PSEG Long Island used the QA team to identify calls and agents with lower First Call Resolutions and provided refresher training as needed.

CS-14 – Net Dollars Written Off as a Percentage of Revenue

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.42%	0.51%	Met	$597,397.78

This metric measured the effectiveness of receivables management and recovery efforts associated with uncollectible revenue. PSEG Long Island achieved a year-end write-off rate of 0.42%, exceeding the target performance level of 0.51%. During 2025, PSEG Long Island implemented additional customer outreach and account management initiatives to support collections performance and financial stewardship. LIPA validated the submitted calculations and determined that the metric requirements were met.

CS-15 – Arrears Aging Percent > 90 Days Past Due

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	46.82%	51.91%	Met	$597,397.78

This metric evaluated performance associated with managing aged receivables greater than ninety (90) days past due. PSEG Long Island achieved a year-end result of 46.82%, outperforming the target of 51.91%. During 2025, PSEG Long Island continued initiatives intended to improve coordination between customer account management and collections processes. LIPA validated the submitted calculations and determined that the metric requirements were met.

CS-17 – Low to Moderate Income (LMI) Program Participation

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	42,543	40,000	Met	$238,959.11

This metric measured enrollment in the Household Assistance Rate (HAR) program for qualifying low-to-moderate income customers. PSEG Long Island exceeded the established target by achieving 42,543 enrollments compared to the target of 40,000. During 2025, outreach and customer engagement efforts continued across Nassau County, Suffolk County, and the Rockaways, while data-sharing initiatives with state and local agencies also progressed. LIPA validated the submitted results and determined that the metric requirements were met.

CS-19 – Customer Complaint Rate

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	3.9/1st Rank	1st Rank	Met	$298,698.89

This metric measured customer complaint performance based on complaint data reported through the Department of Public Service. During 2025, PSEG Long Island maintained the lowest complaint rate among New York electric and combination electric and gas utilities measured under this metric. LIPA validated the submitted results and determined that the metric requirements were met.

CS-25 – Interactive Voice Response (IVR) Containment Rate

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	52.38%	58.43%	Did Not Meet	$0.00

This metric measured the percentage of customers utilizing the IVR system without requiring transfer to a live agent. PSEG Long Island achieved a year-end performance of 52.38%, below the target of 58.43%. LIPA's review identified continued opportunities for improvement in self-service functionality and customer interaction processes. LIPA determined that the metric requirements were not met.

CS-31 – Call Average Handle Time (AHT)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	426	433	Met	$238,959.11

The objective of this metric was to improve agent efficiency in responding to inbound customer phone inquiries by achieving pre-COVID (2019) and utility top-quartile benchmark performance levels. The Average Handle Time (AHT) goal was met in 2025 at 426 seconds. To achieve this metric, agent scorecards had an AHT target of 433 seconds, and the QA team provided consistent feedback and drove monthly process improvements.

CS-36 – E-Bill Enrollment

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	55%	52%	Met	$328,568.78

This metric measured customer participation in paperless billing services. PSEG Long Island achieved a year-end enrollment rate of 55%, exceeding the target of 52%. Increased customer participation in paperless billing contributed to reduced billing-related operating costs and expanded use of digital customer services. LIPA validated the submitted results and determined that the metric requirements were met.

INFORMATION TECHNOLOGY

LIPA's evaluation determined that PSEG Long Island met four (4) of the seven (7) Information Technology metrics for 2025. Two (2) metrics were partially achieved, and one (1) metric was canceled by agreement between LIPA and PSEG Long Island, with associated compensation redistributed in accordance with the approved metric structure.

The Information Technology scope focused on cybersecurity, system resiliency, technology modernization, project execution, and implementation of major strategic IT initiatives. Significant work during 2025 included completion of the IT System Separation program, ransomware readiness planning, lifecycle management activities, and disaster recovery planning enhancements for critical systems.

LIPA validated substantial progress on multiple project implementation initiatives and reviewed deliverables associated with cybersecurity preparedness, resiliency planning, and system modernization. Partial achievement was recorded for certain project performance metrics where not all required projects were completed within the established metric requirements.

Based on LIPA's evaluation, PSEG Long Island earned $3,421,459.99 in incentive compensation for the Information Technology scope out of a potential $3,584,386.66.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
IT-03	System Resiliency – Business Continuity Plans and Functional Drills	$0.00	Canceled	$0.00
IT-04	System and Software Lifecycle Management	$130,341.33	Met	$130,341.33
IT-05	Project Performance – In-flight Projects	$391,024.00	Partially Met	$358,438.67
IT-06	Project Performance – New 2025 Projects	$521,365.33	Partially Met	$391,024.00
IT-07	System Separation	$1,955,119.99	Met	$1,955,119.99
IT-09	IT Planning – Ransomware Readiness and Response	$260,682.67	Met	$260,682.67
IT-10	System Resiliency – Disaster Recovery Plans and Testing	$325,853.33	Met	$325,853.33

IT-03 – System Resiliency – Business Continuity Plans and Functional Drills

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	0%	100%	Canceled	$0.00

This metric focused on implementation planning associated with recommendations from the 2024 third-party IT Systems Resiliency Assessment. During 2025, LIPA and PSEG Long Island continued discussions regarding implementation scope, sequencing, and project planning requirements. Following those discussions, the parties agreed to cancel the metric and defer implementation activities to 2026 under an approved Project Implementation Plan framework. The compensation amount of $298,698.89 associated with this metric was redistributed across the remaining metrics in the IT scope, in accordance with the approved metric structure.**IT-04 – System and Software Lifecycle Management**

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$130,341.33

This metric focused on lifecycle management and refresh activities associated with IT and operational technology assets managed on behalf of LIPA. During 2025, PSEG Long Island completed the planned work included within the LIPA-approved Refresh Plan. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

IT-05 – Project Performance – In-flight Projects

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	91.7%	100%	Partially Met	$358,438.67

This metric evaluated the execution of twelve (12) active Information Technology projects during 2025. LIPA validated that eleven (11) of the twelve (12) required projects achieved the applicable metric requirements. Completed projects included initiatives associated with cybersecurity, customer systems, communications infrastructure, and operational technology modernization. Based on LIPA’s review, the metric was partially achieved.

IT-06 – Project Performance – New 2025 Projects

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	75%	100%	Partially Met	$391,024.00

This metric evaluated the execution of eight (8) newly initiated Information Technology projects during 2025. LIPA validated that six (6) of the eight (8) required projects achieved the applicable metric requirements. Completed projects included initiatives associated with business intelligence, cybersecurity, physical security access controls, and system modernization. Based on LIPA’s review and validation, the metric was partially achieved.

IT-07 – System Separation

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$1,955,119.99

This metric addressed the implementation of the LIPA Board-approved IT System Separation program established under the OSA (Operations Services Agreement) reform structure. During 2025, PSEG Long Island completed the remaining project bundles, and the associated systems were placed into operation by year-end. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

IT-09 – IT Planning – Ransomware Readiness and Response

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$260,682.67

This metric addressed PSEG Long Island's Ransomware Readiness and Response preparedness. The 2025 metric required PSEG Long Island to develop a Project Implementation Plan (PIP) to implement the recommendations of a third-party assessment, with a target completion in 2027. PSEG Long Island completed the scope of work for 2025 and has met this metric.

IT-10 – System Resiliency – Disaster Recovery Plans and Testing

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$325,853.33

This metric focused on implementation planning and resiliency improvements associated with recommendations from the 2024 third-party IT Systems Resiliency Assessment. During 2025, PSEG Long Island developed and submitted updated Disaster Recovery Plans for five critical systems in accordance with the approved Project Implementation Plan. LIPA validated completion of the required 2025 deliverables. Additional testing activities and broader implementation efforts will continue during 2026.

POWER SUPPLY AND CLEAN ENERGY

LIPA's evaluation determined that PSEG Long Island met six (6) of the seven (7) Power Supply & Clean Energy metrics for 2025, with one (1) metric partially achieved.

Performance within this scope included implementation of electrification initiatives, advancement of Time-of-Day rate participation, electric vehicle infrastructure deployment, heat pump adoption support, and clean energy program participation within disadvantaged communities. LIPA validated achievement of multiple statewide clean energy and electrification objectives, including residential heat pump adoption targets and strong participation rates in Time-of-Day electric rate programs.

PSEG Long Island also exceeded the established target for disadvantaged community program spending and completed multiple strategic initiatives related to transportation electrification and customer adoption of beneficial electrification technologies.

The Electric Vehicle Make-Ready metric was partially achieved due primarily to lower-than-anticipated participation in fleet electrification projects during 2025.

Based on LIPA's evaluation, PSEG Long Island earned $2,270,111.55 in incentive compensation for the Power Supply & Clean Energy scope out of a potential $2,389,591.10.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
PS&CE-05	Beneficial Electrification – Building Electrification	$358,438.67	Met	$358,438.67
PS&CE-06	Electric Vehicle (EV) Make-Ready	$358,438.67	Partially Met	$238,959.11
PS&CE-08	Transition to New "Standard" Time-of-Day Residential Rates on an Opt-Out Basis	$179,219.33	Met	$179,219.33
PS&CE-13	Heat Pump Strategy to Address Barriers to Customer Adoption	$358,438.67	Met	$358,438.67
PS&CE-14	Transportation Electrification Strategic Initiatives	$358,438.67	Met	$358,438.67
PS&CE-16	Residential Time-of-Day Participation Rate	$657,137.55	Met	$657,137.55
PS&CE-17	Disadvantaged Communities (DACs) – Spend %	$119,479.56	Met	$119,479.56

PS&CE-05 – Beneficial Electrification – Building Electrification

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	5,381	5,330	Met	$358,438.67

This metric measured progress toward residential beneficial electrification objectives associated with statewide clean energy goals. PSEG Long Island achieved 5,381 Whole House Heat Pump Housing Units during 2025, exceeding the target of 5,330. LIPA validated the submitted results and determined that the metric requirements were met.

PS&CE-06 – Electric Vehicle (EV) Make-Ready

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	66.7%	100%	Partially Met	$238,959.11

This metric measured progress associated with electric vehicle charging infrastructure deployment and fleet electrification initiatives. PSEG Long Island achieved two (2) of the three (3) sub-metric targets during 2025, including exceeding targets for both Level 2 and DC Fast Charger installations. The fleet electrification component was not achieved due primarily to lower-than-anticipated participation in fleet conversion projects during 2025. Based on LIPA's review, the metric was partially achieved.

PS&CE-08 – Transition to New "Standard" Time-of-Day Residential Rates on an Opt-Out Basis

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$179,219.33

This metric supported implementation of the Board-approved Time-of-Day rate transition initiative and associated customer migration activities. During 2025, PSEG Long Island completed the required customer transitions, communications, billing implementation, and related program deliverables associated with Groups 2-10. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

PS&CE-13 – Heat Pump Strategy to Address Barriers to Customer Adoption

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$358,438.67

This metric focused on programmatic initiatives intended to support increased adoption of residential heat pump technologies. During 2025, PSEG Long Island implemented multiple customer outreach, contractor engagement, training, and program enhancement initiatives associated with beneficial electrification objectives. LIPA validated completion of the required deliverables and determined that the metric requirements were met.

PS&CE-14 – Transportation Electrification Strategic Initiatives

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$358,438.67

The goal of this metric was to implement programmatic changes to address barriers to customer transportation electrification as part of a multi-year strategy. PSEG Long Island completed the Transportation Electrification Project Implementation Plan, the Fleet Round Table, and the EV Make-Ready Program Round Table, thereby meeting the metric.

PS&CE-16 – Residential Time-of-Day Participation Rate

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	97%	85%	Met	$657,137.55

This metric measured customer participation levels associated with the residential Time-of-Day rate initiative. PSEG Long Island achieved a year-end participation rate of 97%, exceeding the target of 85%. LIPA validated the submitted results and determined that the metric requirements were met.

PS&CE-17 – Disadvantaged Communities (DACs) – Spend %

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	52.4%	35%	Met	$119,479.56

This metric measured program spending within designated disadvantaged communities consistent with New York State climate and equity objectives. PSEG Long Island achieved a year-end DAC spending percentage of 52.4%, exceeding the target of 35%. LIPA validated the submitted calculations and determined that the metric requirements were met.

TRANSMISSION AND DISTRIBUTION

LIPA's evaluation determined that PSEG Long Island met eleven (11) of the seventeen (17) Transmission & Distribution metrics for 2025. One (1) metric was partially achieved, and five (5) metrics were not achieved.

The Transmission & Distribution scope included metrics related to electric reliability, safety, storm response, vegetation management, workforce planning, capital project controls, asset management, and system resiliency. LIPA validated strong performance in several operational areas, including momentary outage performance, vegetation management execution, storm response performance, capital project estimating accuracy, and implementation of workforce management and project control enhancements.

PSEG Long Island achieved its strongest Momentary Average Interruption Frequency Index (MAIFI) performance on record and successfully completed several strategic operational and infrastructure initiatives during 2025, including advancement of the Primary Transmission Control Center replacement project.

However, several key reliability and safety metrics did not achieve established targets, including SAIDI, SAIFI, Sustained Multiple Customer Outages, Serious Injury Incident Rate, and the Asset Inventory accuracy metric. Increased storm activity during 2025 negatively affected certain reliability outcomes. LIPA's evaluation also determined that the required asset inventory accuracy threshold under T&D-01 was not achieved.

Based on LIPA's evaluation, PSEG Long Island earned $5,854,498.22 in incentive compensation for the Transmission & Distribution scope out of a potential $9,558,364.42.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
T&D-01	Asset Management Program Implementation – Asset Inventory	$1,015,576.22	Did Not Meet	$0.00
T&D-06	Primary Transmission Control Center (PTCC) Replacement	$597,397.78	Met	$597,397.78
T&D-07	System Average Interruption Duration Index (SAIDI) Reliability	$627,267.66	Did Not Meet	$0.00
T&D-08	System Average Interruption Frequency Index (SAIFI) Reliability	$507,788.11	Did Not Meet	$0.00
T&D-09	Momentary Average Interruption Frequency Index (MAIFI) Reliability	$418,178.44	Met	$418,178.44
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)	$418,178.44	Did Not Meet	$0.00
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)	$418,178.44	Met	$418,178.44
T&D-13	Safety – Serious Injury Incident Rate (SIIR)	$955,836.44	Did Not Meet	$0.00
T&D-18	Improve Reliability Through Work Management Enhancements – Workforce Management Plans	$716,877.33	Met	$716,877.33

T&D-24	Improve Reliability Through Vegetation Management Work Plan – Distribution Vegetation Programs	$597,397.78	Met	$597,397.78
T&D-36	Construction – Cost Estimating Accuracy	$358,438.67	Met	$358,438.67
T&D-37	Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan	$776,617.11	Met	$776,617.11
T&D-40	Reduce Double Wood Poles	$358,438.67	Partially Met	$179,219.33
T&D-41	Program Effectiveness – Vegetation Management	$477,918.22	Met	$477,918.22
T&D-50	Storm Outage Response Performance	$477,918.22	Met	$477,918.22
T&D-53	Capital Project Process Enhancements	$358,438.67	Met	$358,438.67
T&D-54	Storm Crewing Efficiency and Prudency	$477,918.22	Met	$477,918.22

T&D-01 – Asset Management Program Implementation – Asset Inventory

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	96.5%	98%	Did Not Meet	$0.00

This metric focused on the implementation of the Enterprise Asset Management Program and the validation of asset inventory accuracy consistent with Board-approved asset management objectives. During 2025, PSEG Long Island successfully completed field verification and GIS record update activities associated with the electric system asset inventory. Upon completion of those activities, both Parties independently performed a detailed review of the accuracy of the data via a random statistically valid sample. LIPA's independent review determined that the required asset inventory accuracy threshold established under the metric fell just short of the target level of 98.0%, and therefore, was not achieved. While substantial progress was made during the year, the metric's required performance standard for accuracy was not met. Accordingly, no incentive compensation was awarded for this metric.

T&D-06 – Primary Transmission Control Center (PTCC) Replacement

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$597,397.78

PSEG Long Island has successfully executed the project implementation plan that was set for the year, which included key milestones leading to the commencement of the construction phase of the Primary Transmission Control Center (PTCC).

T&D-07 – System Average Interruption Duration Index (SAIDI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	62.3	56.5	Did Not Meet	$0.00

SAIDI is a standard electric utility reliability metric measuring the average duration of sustained outages experienced by customers. The 2025 metric target was established at a stretch performance level consistent with the Board's objective of maintaining top-decile reliability performance among industry peers. While PSEG Long Island remains in the top decile for overall system performance, PSEG Long Island achieved a year-end SAIDI result of 62.3 compared to the target of 56.5. Overall reliability performance remained strong relative to industry benchmarks, and within the Board's broader reliability expectations, yet the specific stretch target established under the metric was not achieved. Increased storm activity during 2025 negatively affected performance. Based on LIPA's evaluation, the metric requirements were not met.

T&D-08 – System Average Interruption Frequency Index (SAIFI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.76	0.68	Did Not Meet	$0.00

SAIFI is a standard electric utility reliability metric measuring the average frequency of sustained customer outages. The 2025 target was established at a stretch performance level intended to support top-decile industry performance. PSEG Long Island achieved a year-end SAIFI result of 0.76 compared to the target of 0.68. While overall reliability performance remained strong relative to peer utilities and within the Board's broader reliability expectations, the stretch performance target established under the metric was not achieved. Increased storm activity during 2025 adversely affected performance results. Based on LIPA's evaluation, the metric requirements were not met.

T&D-09 – Momentary Average Interruption Frequency Index (MAIFI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	1.13	1.53	Met	$418,178.44

MAIFI measures the frequency of momentary customer outages lasting less than five minutes. During 2025, PSEG Long Island achieved a year-end MAIFI result of 1.13, outperforming the target of 1.53. Continued investments in reliability improvement programs, vegetation management, and circuit enhancement initiatives contributed to improved performance. LIPA validated the submitted calculations and determined that the metric requirements were met.

T&D-10 – Reduce Sustained Multiple Customer Outages (S-MCOs)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0%	100%	Did Not Meet	$0.00

This metric measured performance associated with customers experiencing repeated sustained outages over a rolling twelve-month period. Although overall system reliability performance remained comparatively strong, the specific stretch targets established under this metric were not achieved during 2025. Increased storm activity and localized outage concentrations contributed to the year-end results exceeding the established thresholds. PSEG Long Island will continue reliability improvement initiatives intended to reduce recurring outage exposure for impacted customers. Based on LIPA's evaluation, the metric requirements were not met.

T&D-12 – Reduce Momentary Multiple Customer Outages (M-MCOs)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	32,472	54,000	Met	$418,178.44

M-MCOs are another reliability metric used to monitor the frequency of power interruptions of less than five minutes in duration ("momentary outages") over a rolling twelve-month basis. This metric provides insight into the frequency of brief interruptions that can disrupt sensitive electronic equipment and customer activities. At year-end 2025, PSEG Long Island met this metric with 32,472 customers experiencing six (6) or more momentary outages during the previous 365-day rolling period versus a target of less than or equal to 54,000. This metric is not widely reported within the industry, thus a benchmarking comparison with industry peers is not readily available. However, PSEG Long Island's overall performance has improved significantly with consistent annual improvements since this metric was first introduced in 2022.

T&D-13 – Serious Injury Incident Rate (SIIR)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.03	0.00	Did Not Meet	$0.00

This metric measured the frequency of serious workforce injuries consistent with the Board's safety objectives and industry safety standards. The 2025 target required zero serious injury incidents. During 2025, one contractor serious injury incident occurred, resulting in a year-end SIIR result of 0.03. While no serious employee injuries occurred during the year, the established metric target was not achieved. Following the incident, additional safety initiatives and hazard recognition programs continued to be implemented. Based on LIPA's evaluation, the metric requirements were not met.

T&D-18 – Improve Reliability Through Work Management Enhancements – Workforce Management Plans

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$716,877.33

This metric focused on strengthening workforce planning, labor management transparency, and work execution oversight in support of Transmission & Distribution operations. During 2025, PSEG Long Island completed the required workforce planning deliverables, including labor planning data, work execution reporting, and staffing-related performance analyses. LIPA independently reviewed and validated the submitted information and determined that the metric requirements were met.

T&D-24 – Improve Reliability Through Vegetation Management Work Plan – Distribution Vegetation Programs

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met	$597,397.78

The Vegetation Management Work Plans identify scheduled work on at least one-quarter of the overhead distribution system, which equals about 2,200 miles of power lines. PSEG Long Island achieved the planned unit and budget adherence targets for all programs, including Cycle Trim (Circuit Miles and Circuits), Trim to Sky (Circuits), and Hazard Tree Program (Limbs and Trees).

T&D-36 – Construction – Cost Estimating Accuracy

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	92.7%	90%	Met	$358,438.67

This metric measured the accuracy of capital project cost estimating for discrete Transmission & Distribution capital projects completed during 2025. PSEG Long Island achieved an overall cost estimating accuracy of 92.7%, exceeding the target of 90.0%. LIPA validated the submitted project close-out documentation and confirmed compliance with the approved estimating methodology. Based on LIPA's evaluation, the metric requirements were met.

T&D-37 – Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met	$776,617.11

This metric evaluated adherence to planned capital program units and associated unit cost thresholds for applicable Transmission & Distribution programs. During 2025, PSEG Long Island achieved the required planned unit and cost performance targets consistent with the approved work plans and project justifications. LIPA validated the submitted performance data and determined that the metric requirements were met.

T&D-40 – Reduce Double Wood Poles

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	9,129	7,296	Partially Met	$179,219.33

This metric measured progress associated with reducing the number of Double Wood Poles on the electric system and achieving targeted Next-To-Go performance thresholds. PSEG Long Island achieved the required Next-To-Go target and therefore earned partial incentive compensation under the metric structure. However, the overall Double Wood Pole count increased compared to year-end 2024 levels, and the full performance target established under the metric was not achieved. Based on LIPA's evaluation, the metric was partially achieved.

T&D-41 – Program Effectiveness – Vegetation Management

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	54.0%	40.0%	Met	$477,918.22

This metric evaluated the effectiveness of vegetation management activities in improving system reliability performance. During 2025, PSEG Long Island completed the required vegetation management activities and achieved the established performance targets associated with the approved work plan. LIPA validated the submitted results and determined that the metric requirements were met.

T&D-50 – Storm Outage Response Performance

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met	$477,918.22

This metric measured outage management and restoration performance during qualifying storm events. During 2025, one storm event met the applicability threshold under the metric. LIPA reviewed PSEG Long Island's restoration performance, operational execution, and scorecard results for the applicable event and determined that performance exceeded the established target requirements. Accordingly, full incentive compensation was awarded for this metric.

T&D-53 – Capital Project Process Enhancements

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$358,438.67

During the 2025 Contract Year, PSEG Long Island completed all deliverables associated with this metric by their respective due dates, advancing capital project planning, budgeting, and controls in alignment with the NorthStar audit recommendations. Working collaboratively with LIPA and cross-functional stakeholders, PSEG Long Island refined and documented methodologies for risk and contingency use, reviewed historical estimating accuracy to inform future metric improvements, formalized construction change-order and work-directive approval procedures, and updated URB/PJD process-flow documentation. Collectively, these efforts strengthened governance, improved consistency and transparency in capital controls, and established a solid foundation for enhanced capital performance in future years.

T&D-54 – Storm Crewing Efficiency and Prudency

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met	$477,918.22

This metric evaluated storm restoration staffing, resource deployment, Emergency Response Plan adherence, and operational efficiency during storm response events. During 2025, PSEG Long Island completed the required storm reports and achieved the established performance targets associated with restoration operations, crew utilization, and damage assessment activities. LIPA validated the submitted deliverables and determined that the metric requirements were met.