



August 2026 Financial Results

Finance and Audit Committee

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and Martin Shames, Senior Director of Finance PSEG LI



LIPA Consolidated Results – YTD August 2026

(\$ in thousands)

	Actual	Budget	\$ Var.	% Var.	FY Budget
Revenues	\$3,457,338	\$2,986,915	\$470,424	15.7%	\$4,300,637
Power Supply Charge	1,828,351	1,363,784	(464,566)	-34.1%	1,977,335
Revenue Net of Power Supply Charge	1,628,988	1,623,130	5,857	0.4%	2,323,303
PSEG Long Island Operating and Managed Expenses					
PSEG Long Island Operating Expenses	450,275	461,894	11,619	2.5%	698,000
PSEG Long Island Managed Expenses	85,752	96,459	10,706	11.1%	148,906
Utility Depreciation	264,288	268,650	4,363	1.6%	411,059
PILOTs	239,996	239,844	(152)	-0.1%	357,300
LIPA Operating Expenses	66,304	67,672	1,369	2.0%	121,788
LIPA Depreciation and Amortization	75,388	75,442	54	0.1%	100,177
Interest Expense	233,631	248,045	14,415	5.8%	373,321
Total Expenses	\$1,415,634	\$1,458,007	\$42,373	2.9%	2,210,550
Other Income and Deductions	47,261	40,512	6,749	16.7%	71,825
Grant Income	23,190	23,119	72	0.3%	39,678
Total Non-Operating Revenue	\$70,451	\$63,631	\$6,820	10.7%	\$111,503
Change in Net Position	\$283,806	\$228,755	\$55,051	-24.1%	224,255

Note: Variance - favorable/(unfavorable)

LIPA Managed Expenses & Income – YTD August 2026

- LIPA operating expense is under budget \$1M due to lower software related expense and lower IT, HR and Finance outside services expense of \$1.7M offset by higher PSEGLI management fee incentive accrual compared to a 3-year trend assumption in the budget (\$0.5M).
- Interest expense is under budget by \$14M due primarily to \$12M non-cash deferred gain amortization resulting from the 2025 UDSA bond.
- Other income and deductions are favorable against the budget by \$6M due to (i) higher dividends on OPEB holdings of \$2M, (ii) gain on early extinguishment of the 2016B bond \$2M, (iii) timing of balance in the Construction Fund earlier than assumed in the budget \$1M, and (iv) higher balances in the Operating Account resulting in higher interest earnings of \$1M.

(\$ in thousands)

LIPA Expenses

LIPA Operating Expenses
LIPA Depreciation and Amortization
Interest Expense, other Interest Costs
and Interest Amortizations

Total Expenses

Other Income and Deductions
Grant Income

Total Income

LIPA Capital

Note: Variance - favorable/(unfavorable)

	Actual	Budget	\$ Var.	% Var.	FY Budget
LIPA Expenses					
LIPA Operating Expenses	\$66,304	\$67,672	\$1,369	2.0%	\$121,788
LIPA Depreciation and Amortization	75,388	75,442	54	0.1%	100,177
Interest Expense, other Interest Costs and Interest Amortizations	233,631	248,045	14,415	5.8%	373,321
Total Expenses	\$375,322	\$391,160	\$15,837	4.0%	\$595,286
Other Income and Deductions	30,986	25,192	5,794	23.0%	49,725
Grant Income	23,190	23,119	72	0.3%	39,678
Total Income	\$54,176	\$48,311	\$5,866	12.1%	\$89,403
LIPA Capital	\$834	\$900	\$66	7.3%	\$5,000

LIPA Liquidity Position – YTD August 2026

(\$ in thousands)	August 31, 2026	Days Cash	July 31, 2026	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 1,011,910		\$ 404,505	
OPEB Account cash, cash equivalents, and investments	970,917		951,341	
PSEG Long Island working capital requirements	323,263		347,536	
Total operating liquidity	2,306,090	255	1,703,382	188
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	338,000		338,000	
Total available credit	538,000		538,000	
Total cash, cash equivalents, investments, and available credit	\$ 2,844,090	314	\$ 2,241,382	248
Restricted cash				
Clean Energy Compliance Fund	16,633		16,608	
UDSA	174,626		134,823	
Total restricted cash	\$ 191,259		\$ 151,431	

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

PSEG Long Island Operating Expenses – YTD August 2026

Total expense is under budget by \$12M primarily due:

(\$ in thousands)

- T&D is over budget by (\$5M) primarily due to an emergent transmission cable failure and other corrective maintenance, as well as preventative maintenance, partially offset by a change in schedule of stray voltage inspections.
- Asset Management is under budget by \$2M due to lower labor costs related to vacancies, lower management consulting services, software expenditures, and training activities.
- Customer Service is under budget by \$2M due to lower postage, vacancies and timing of Marketing related spend.
- IT & Cyber are under budget by \$8M due to lower application services and software expenses, vendor spend as well as a decrease in telecommunication usage.
- Energy Efficiency is under budget by \$3M due to lower rebate applications submitted by customers.
- Utility 2.0 is under budget by \$2M primarily due to lower application volume for incentives and rebates for the Electric Vehicle program and due to reduced market interest in Fleet Electrification in the Fleet Make-Ready Program.

PSEG Long Island Operating Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget
Transmission & Distribution	\$129,474	\$124,005	(\$5,468)	-4.4%	\$188,644
Asset Management & Reliability	7,406	9,245	1,839	19.9%	13,192
Construction & Operations Services	29,934	30,808	874	2.8%	46,070
Customer Services	83,156	84,948	1,792	2.1%	127,814
Information Technology & Cybersecurity	71,271	78,849	7,578	9.6%	119,253
Business Services	50,913	50,933	20	0.0%	78,257
Power System Management	15,632	15,222	(410)	-2.7%	22,797
Energy Efficiency & Renewable Energy	55,917	58,962	3,044	5.2%	88,268
Utility 2.0	6,572	8,922	2,350	26.3%	13,705
Total PSEG Long Island Operating Expenses	\$450,275	\$461,894	\$11,619	2.5%	\$698,000

Note: Variance - favorable/(unfavorable)

PSEG Long Island Managed Expenses – YTD August 2026

- Storm expense is under budget by \$9M due to lower storm activity. Nine storms were incurred, one of which required mutual aid assistance.
- Utility Depreciation is under budget by \$4M attributable to the EV Make Ready program.
- Pension & OPEB expense is under budget by \$4M due to discount rate updates in the actuarial models.
- PILOTs - Property-Based Taxes is under budget by \$2M due to lower tax rates imposed.
- PILOTs - Revenue-Based Taxes is over budget by (\$2M) due to higher revenue.
- NYS Assessment is over budget by (\$2M) due to higher revenue.

(\$ in thousands)

PSEG Long Island Managed Expenses

	Actual	Budget	\$ Var.	% Var.	FY Budget
Uncollectible Accounts	\$16,353	\$15,508	(\$845)	-5.5%	\$23,207
Storm Restoration	42,304	51,359	9,056	17.6%	82,000
NYS Assessment	9,468	7,808	(1,659)	-21.3%	11,215
Utility Depreciation	264,288	268,650	4,363	1.6%	411,059
Pension & OPEB Expense	13,858	18,113	4,254	23.5%	27,086
PILOTs - Revenue-Based Taxes	35,192	32,840	(2,352)	-7.2%	46,794
PILOTs - Property-Based Taxes	204,804	207,004	2,200	1.1%	310,506
PSEGLI Managed - Misc	3,770	3,671	(99)	-2.7%	5,398
Total PSEG Long Island Managed Expenses	\$590,036	\$604,953	\$14,917	2.5%	\$917,264
Other Income & Deductions	\$16,275	\$15,320	\$955	6.2%	\$22,098

Note: Variance - favorable/(unfavorable)

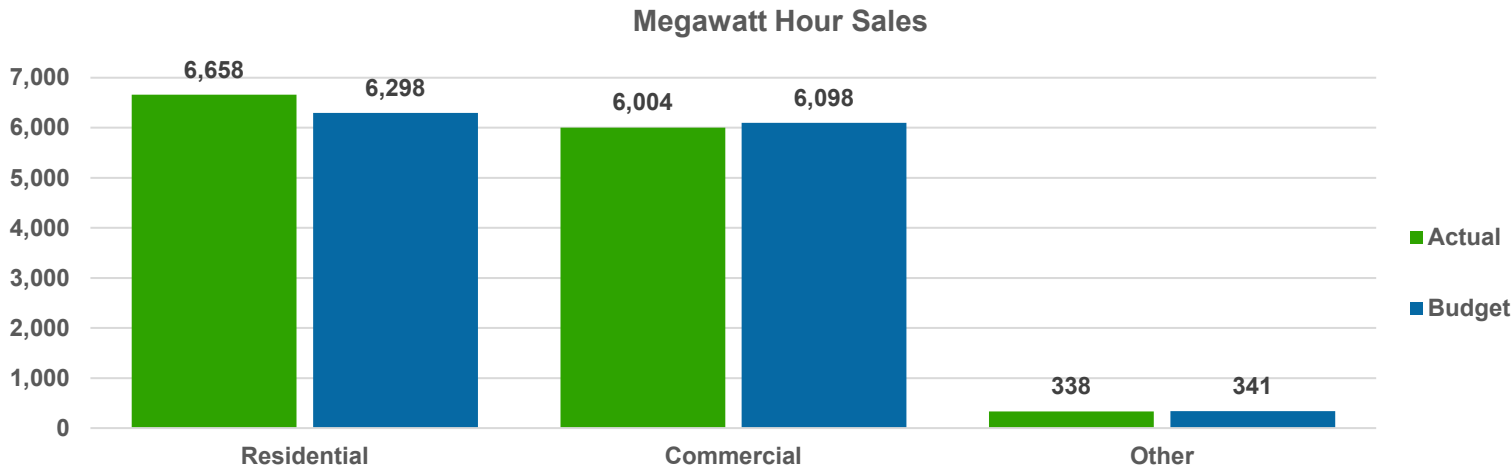
PSEG Long Island Revenue – YTD August 2026

- Revenue, net of PSC, is in line with budget.
- Power Supply Charge is (\$465M) higher than budget due to higher power supply costs in January, February and July driven by extreme weather. The prolonged cold weather in January and February led to significantly higher energy prices throughout Northeast, combined with higher on-island generation and lower purchases than planned. In July, the two heatwaves and unplanned downstate generation and transmission outages contributed to higher energy prices for the month.
- Total Sales of electricity are higher than budget due to residential sales driven by economic growth and colder than normal weather in January and February.

(\$ in thousands)

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Power Supply Charge	\$1,828,351	\$1,363,784	(\$464,566)	-34.1%	\$1,977,335
Revenue Net of Power Supply Costs	\$1,628,988	\$1,623,130	\$5,857	0.4%	\$2,323,303

Note: Variance - favorable/(unfavorable)



Capital Expenditures – YTD August 2026

- T&D is under budget by \$3M due to construction schedule changes related to new operation facilities and lower demand for underground services in Load Growth partially offset by higher Reliability related to a cable failure, substation equipment failures and distribution system improvement projects.
- IT & Cyber is under budget by \$6M due to delayed project start shifting work to later this year, 2027 and 2028.
- Other General Plant is over budget by (\$10M) due to the purchase of the Melville building partially offset by the delayed commencement of the Medford facility development.
- Property Acquisition is under by \$19M due to proceeds from the NYPA land easement and deferred property acquisitions.
- Public Policy Transmission Upgrades is under budget by \$5M due to construction schedule phasing, timing of material deliveries, and improved engineering cost efficiencies across multiple projects.
- 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 (\$13M) due to higher storm capitalization rate and the higher number of transformers replaced during the extreme heat event in July.

(\$ in thousands)

Transmission and Distribution

	Actual	Budget	\$ Var.	% Var.	FY Budget
Regulatory Driven	\$1,372	\$699	(\$672)	-96.1%	\$979
Load Growth	97,068	101,164	4,096	4.0%	142,034
Reliability	250,481	210,025	(40,457)	-19.3%	348,848
Storm Hardening	780	2,394	1,614	67.4%	4,839
Facilities & Other	49,111	87,359	38,248	43.8%	164,273
Total T&D Projects^(a)	398,812	401,642	2,830	0.7%	660,973

Other PSEG Long Island Capital Expenditures

IT & Cybersecurity ^(a)	30,438	36,789	6,351	17.3%	69,621
Customer Operations ^(a)	4,981	5,299	318	6.0%	8,591
Other General Plant ^(a)	41,556	32,056	(9,500)	-29.6%	62,419
Fleet ^(a)	14,060	13,967	(93)	-0.7%	27,665
Property Acquisition ^(a)	(12,839)	6,000	18,839	314.0%	40,002
Utility 2.0	3,400	5,431	2,031	37.4%	10,193

Total T&D and Other Projects

	480,407	501,184	20,777	4.1%	879,464
Public Policy Transmission Upgrades	19,933	24,831	4,898	19.7%	38,179
FEMA Storm Hardening ^(a)	54,603	53,089	(1,514)	-2.9%	153,008
Capital Storm	17,917	4,983	(12,934)	-259.6%	8,200
Total PSEG Long Island Capital	572,860	584,087	11,226	1.9%	1,078,851

Management Fee	23,801	24,469	668	2.7%	36,189
Pending Project Authorization Funds	-	9,679	9,679	100.0%	25,589
Nine Mile Point 2	34,554	33,115	(1,439)	-4.3%	34,565
LIPA Capital	834	900	66	7.3%	5,000
Total Capital Expenditures	\$632,050	\$652,250	\$20,200	3.1%	\$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 \$18M for T&D, \$2M for IT projects, \$5M for Customer Service, \$1M for Other General Plant Projects, \$93M for FEMA and \$34M for Property Acquisition. Both the YTD and FY Budgets have been adjusted.

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

(Total Project Cost) – YTD August 2026

Description	Original Total		Total Project	Current	Spend Progress	Current
	Cost Estimate	Date of Cost Estimate	Actuals Through 8/31/26 (\$M)	Working Estimate (\$M)		Estimated Completion Date
North Bellmore Install 33 MVA Bank, Swgr, Feeders & C&R	\$22	2020	\$26	\$28	94%	Dec-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$36	\$54	67%	Dec-26
New Operations Yard	\$57	2022	\$30	\$91	33%	Mar-27
Construction of T&D Operations Center	\$84	2018	\$54	\$242	22%	Dec-27
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$6	\$35	16%	Dec-27
Enterprise Asset Management System	\$48	2022	\$5	\$61	8%	Dec-28
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$4	\$38	11%	Jun-29
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$4	\$90	5%	Dec-29
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$13	\$59	22%	Dec-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$2	\$23	10%	May-30
Syosset Install new 138kV PAR on terminal for new circuit	\$44	2024	\$1	\$10	7%	Jun-27
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$4	\$47	9%	Apr-31
Far Rockaway New Circuit to Supply the Load Pocket	\$165	2025	\$1	\$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	\$37	\$113	32%	Dec-33
Total	\$1,618		\$224	\$1,732		

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

- **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.
- **Construction of T&D Operations Center**
 - Construct and commission of a new T&D Operation Center.
- **West Hempstead (3R) Install four 69/13kV 33MVA**
 - Mitigate the risks based on degraded asset conditions.
 - Substation rebuild replacing two existing transformers with four 69/13kV 33MVA transformers, two 13kV Switchgear, and associated work to improve the asset condition and reliability of this station.
- **Elmont (3G) Substation Rebuild and Feeder Conversions**
 - Mitigate the risks based on degraded asset conditions
 - Conversion of 4kV circuits to 13kV and installation of two 33/13kV 28 MVA banks, one 33Kv Switchgear and two 1/2 lineup of 13kV switchgear.
- **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.
- **Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV**
 - Required as part of NYISO PPTN.
 - Converts existing 138kV circuits to 345kV.
- **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.

Questions?

Donna Mongiardo
CFO

lipower.org

