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January 30, 2014

Lynda Nicolino, General Counsel
Utility Debt Securitization Authority
c/o Long Island Power Authority
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11553

Subject: Notice of Adjustment

Pursuant to the Restructuring Cost Financing Order of the Long Island Power Authority (“Authority”) dated October 3, 2013 (the “Financing Order”) and the Restructuring Property Servicing Agreement, dated as of December 18, 2013 (the “Servicing Agreement”), between the LONG ISLAND LIGHTING COMPANY, as Servicer, and the UTILITY DEBT SECURITIZATION AUTHORITY, the undersigned does hereby provide notice of an adjustment to the Charge to take effect on the Adjustment Date specified below.

Adjustment Date: March 1, 2014

Adjusted Charge: \$0.013518 per kWh

The adjusted Charge was calculated as follows: (see following page)

Respectfully,

A handwritten signature in black ink that reads "John W. Little". The signature is written in a cursive, slightly slanted style.

John W. Little
Director of Customer Service and Rates
On behalf of Servicer to the Utility Debt Securitization Authority

Utility Debt Securitization Authority
 Securitization Charge to be Effective on March 1, 2014

<u>Expense Component</u>	Payment Due <u>12/15/14</u>	<u>See Note</u>
Principal Due	\$90,000,000.00	
Interest Due	90,029,730.54	
Reserve Fund Earnings	-10,027.36	
Ongoing Servicer fee (LIPA as Servicer)	1,011,162.00	
Servicing expenses	10,000.00	
Administration fees and expenses	110,000.00	
Bond Trustee Fees and Expenses	14,000.00	
Legal fees	35,000.00	
Accounting fees	75,000.00	
Rating Agency fees	45,000.00	
Reporting and filing fees	10,000.00	
Directors and Officers Insurance	405,000.00	
<u>Miscellaneous</u>	<u>20,000.00</u>	
Total to be Recovered	\$181,754,865.18	
Allowance for Write-off at 0.547%	999,667.29	(1)
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Revenue to be Recovered	\$182,754,532.47	
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Billed kWhs through November 06, 2014 (based on 39 Days Sales Outstanding)	13,519,814,243	(2)
Securitization Charge (per kWh)	\$0.013518	

Notes:

- 1) $\$999,667 / \$182,754,532 = 0.547\%$
 Write-off rate based on 12 months ending December 2013

- 2) Billings on November 6th will be received 39 days later on December 15
 Billed sales reflect latest projections as of January 2014
 Days Sales Outstanding based on 12 months ending December 2013