



333 Earle Ovington Boulevard
Suite 403
Uniondale, NY 11553
Phone: (516) 222-7700
Fax: (516) 222-9137

November 26, 2014

Mr. Paul Francis, Chairman
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: January 1, 2015

Adjusted Charge: \$0.003914 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the June 15th payment or the sum of the two payments due in 2015, as shown on the table below.

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 Strategic Planning and Rates
As Servicer to the Utility Debt Securitization Authority

Utility Debt Securitization Authority
Securitization Charge to be Effective on January 1, 2015

<u>Expense Component</u>	<u>Payment Due</u> <u>6/15/15</u>	<u>2015</u> <u>Annual</u>
Principal Due	\$0	\$15,000,000
Interest Due	\$43,143,141	\$86,286,283
Reserve Fund Earnings	-\$5,056	-\$10,112
Replenish Reserve Fund	\$0	\$0
Additional Revenue through December 31st	-\$35,586,059	-\$35,586,059
Ongoing Servicer fee	\$505,581	\$1,011,162
Administration Fees	\$32,500	\$65,000
Bond Administration Fees	\$55,000	\$110,000
Bond Trustee Fees and Expenses	\$7,000	\$14,000
Legal fees	\$17,500	\$35,000
Accounting fees	\$37,500	\$75,000
Directors and Officers Insurance	\$176,000	\$352,000
<u>Miscellaneous</u>	<u>\$10,000</u>	<u>\$20,000</u>
Total to be Recovered	\$8,393,108	\$67,372,274
Allowance for Write-off at .743% (see note 1)	\$62,828	\$504,323
Revenue to be Recovered	\$8,455,935	\$67,876,598
kWhs (based on 39 Days Sales Outstanding)	6,429,219,910	17,343,963,906
Last Billing Date (see note 2)	May 7, 2015	November 6, 2015
Securitization Charge (per kWh)	\$0.001315	\$0.003914

Notes:

- 1) $\$62,828 / \$8,455,935 = .743\%$
Write-off rate based on 12 months ending October 2014
- 2) Billings on November 6th will be received 39 days later on December 15
Billed sales reflect latest projections as of November 2014
Days Sales Outstanding based on 12 months ending October 2014

Required Distribution List:

UDSA Trustees:

Paul Francis
Bruce Levy
Robert Gurman

Bond Administrator:

LIPA
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11782
Attention: Bobbi O'Connor, Acting General
Counsel

Bond Trustee:

The Bank of New York Mellon
101 Barclay Street, Floor 7- West
New York, NY 10286
Attention: Frederic Belen

Bond Issuer:

Utility Debt Securitization Authority
c/o Long Island Power Authority
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11782
Attention: Bobbi O'Connor, Acting General
Counsel

Allocation Agent:

Long Island Power Authority

Rating Agencies:

Moody's Investors Service, Inc.
25th Floor, 7 World Trade Center, 250
Greenwich Street
New York, New York 10007
Attention: ABS/RMBS Monitoring
Department

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Attention: Structured Credit Surveillance

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: ABS Surveillance

Electronic Municipal Market Access:

Filed electronically by
Christopher Reitzl
Squire Sanders