



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

April 14, 2017

Mr. Robert Gurman, Vice-Chairman
Utility Debt Securitization Authority
c/o Long Island Power Authority
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11553

Subject: Notice of Adjustment for 2016B Bonds

Pursuant to the Restructuring Cost Financing Order No. 4 of the Long Island Power Authority (“Authority”) dated June 26, 2015 (the “Financing Order”) and the Restructuring Property Servicing Agreement, dated as of September 8, 2016 (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: May 15, 2017

Adjusted Charge: \$0.005062 per kWh

The adjusted Charge was calculated as the higher of the charge required to meet the next debt service payment (on December 15, 2017) and the charge required to meet both of the next two payments (on December 15, 2017 and June 15, 2018), as shown on the table below.

Respectfully,

/s/ Justin H. Bell

Justin H. Bell
Director of Rates and Regulation
Long Island Power Authority
As Servicer to the Utility Debt Securitization Authority

Utility Debt Securitization Authority - 2016B TE Bonds
 Securitization Charge to be Effective on May 15, 2017

<u>Expense Component</u>	<u>Payment Due</u> <u>12/15/17</u>	<u>Payments Due</u> <u>12/15/17 and 6/15/18</u>
Principal Due	\$33,200,000	\$70,915,000
Interest Due	\$11,026,750	\$21,223,500
Reserve Fund Earnings	\$0	\$0
Replenish Reserve Fund	\$0	\$0
Revenue from Prior Periods	\$0	\$0
Ongoing Servicer Fee	\$117,330	\$234,660
Administration Fees	\$50,000	\$100,000
Bond Administration Fees	\$25,000	\$50,000
Bond Trustee Fees and Expenses	\$7,000	\$14,000
Legal Fees	\$5,000	\$10,000
Accounting Fees	\$8,452	\$16,903
Directors and Officers Insurance	\$22,156	\$44,313
<u>Miscellaneous</u>	<u>\$3,500</u>	<u>\$7,000</u>
Total to be Recovered	\$44,465,188	\$92,615,376
Allowance for Write-off at .520% ¹	\$232,428	\$484,117
Revenue to be Recovered	\$44,697,615	\$93,099,493
kWhs (based on 37 Days Sales Outstanding) ²	9,822,335,793	18,392,967,424
Last Billing Date	November 8, 2017	May 9, 2018
Securitization Charge (per kWh)	\$0.004551	\$0.005062

Notes:

- 1) $\$232,428 / \$44,697,615 = .520\%$
 Write-off rate based on PSEG Scorecard YTD February 2017
- 2) Billings on May 9 will be received 37 days later on June 15
 Billed sales reflect latest projections as of April 2017
 Days Sales Outstanding based on PSEG Scorecard YTD February 2017

Required Distribution List:

UDSA Trustees:

Bruce Levy
Robert Gurman

Bond Administrator:

LIPA
333 Earle Ovington Blvd. Ste. 403
Uniondale, NY 11782
Attention: Bobbi O'Connor, Deputy 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: Jon Mostel, 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:

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Christopher Reitzl
Squire Sanders