

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 270TH MEETING

HELD ON SEPTEMBER 27, 2017

The Long Island Power Authority (the “Authority”) was convened for the two-hundred-and-seventieth time at 11:55 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on September 22, 2017, and electronic notice posted on the Authority’s website.

The following Trustees of the Authority were present:

**Ralph V. Suozzi, Chair
Elkan Abramowitz
Sheldon L. Cohen
Matthew Cordaro
Mark Fischl
Peter Gollon
Jeffrey Greenfield
Thomas McAteer
Suzette Smookler**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Joseph Branca, Chief Financial Officer; Jon Mostel, General Counsel & Secretary to the Board of Trustees; Rick Shansky, Vice President of Operations Oversight; and Bobbi O’Connor, Vice President of Policy, Strategy and Administration & Assistant Secretary to the Board of Trustees.

Representing PSEG Long Island were David Daly, President and COO; Daniel Eichhorn, Vice President of Customer Service; John O’Connell, Vice President of Transmission & Distribution; David Lyons, Vice President of Business Operations; Vaughn McKoy, Vice President of Legal; and Paul Napoli, Vice President of Power Markets.

Chair Suozzi welcomed everyone to the 270th meeting of the Long Island Power Authority Board of Trustees and led the Pledge of Allegiance.

Chair Suozzi then stated that the first item on the agenda was the consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted¹ by the Trustees based on the memoranda summarized below.

1375. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 26, 2017 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on July 26, 2017 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Requested Action

The Trustees are being requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage three firms to provide as-needed legal services to the Authority and its subsidiary, Long Island Lighting Company d/b/a LIPA (collectively “LIPA”) and the Utility Debt Securitization Authority (“UDSA”) in the practice areas set forth below, for a period of five years.

Background

LIPA retains the services of outside law firms with demonstrable qualifications in connection with the issuance of tax-exempt and taxable bonds and notes by LIPA and the UDSA, the refunding of such bonds, the provision of liquidity and credit enhancement facilities through letters of credit, revolving lines of credit and other capital raising products, pursuant to securities law and subject to related regulatory disclosure requirements, and specialized tax advice necessary for such transactions, as necessary to augment the capabilities of its own employee attorneys to provide these specialized services.

On May 30, 2017, LIPA issued a Request for Proposals (“RFP”) seeking experienced law firms to provide legal services to LIPA for a period of five years in the following practice areas: 1) Disclosure; 2) Bond; and 3) Special Tax Counsel. The RFP was distributed to twenty-nine firms and posted on LIPA’s website and the New York State Contract Reporter.

¹ Chairman Suozzi recused himself on the vote relating to legal services. Trustee Abramowitz recused himself on the vote relating internal audit services

On June 27, 2017, thirteen firms responded to the RFP. A selection committee comprised of members of LIPA’s legal and finance departments carefully examined the technical (non-cost) portion of each proposal, in accordance with the evaluation criteria specified in the RFP. The evaluation was conducted in accordance with the Office of State Comptroller’s (OSC) guidelines requiring the setting of an evaluation and scoring system prior to the opening of bids. Procurement staff separately evaluated the proposals on a cost basis and MWBE/SDVOB factors, also in accordance with OSC procurement guidelines. The selection committee then conducted interviews of the top-qualifying firms in each practice area since the cumulative scores submitted by the members of the evaluation committee were less than 15 points apart.

Based upon the written proposals, interviews and an assessment of LIPA’s needs, it was determined that the firms listed below provide the best value to LIPA for the services sought, considering both technical expertise and proposed hourly rates:

<u>Recommendation</u>
1. Disclosure Counsel: Squire Patton Boggs LLP
2. Bond Counsel: Hawkins Delafield & Wood LLP
3. Special Tax Counsel: Nixon Peabody LLP

I note that the hourly rates proposed by the firms have been determined to be reasonable.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1376. ENGAGEMENT OF FIRMS TO PROVIDE LEGAL SERVICES

RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the following law firms to provide legal services to the Long Island Power Authority, the Long Island Lighting Company d/b/a LIPA and the Utility Debt Securitization Authority, on an as-needed basis, with the contract terms to be for a period of five years: 1) Squire Patton Boggs LLP (disclosure counsel), 2) Hawkins Delafield & Wood LLP (bond counsel) and 3) Nixon Peabody LLP (special tax counsel).

Requested Action

The Trustees are requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage a firm to provide Hazard Mitigation Support Consulting Services to the Authority and its subsidiary, LIPA (collectively “LIPA”) for a period of 5 years.

Background

Over the past several years, LIPA has incurred substantial storm costs as result of Hurricane Irene, Superstorm Sandy, and snowstorm NEMO for which it is entitled to and has collected at least 75% and up to 90% reimbursement from the Federal Emergency Management Agency’s (“FEMA”) Public Assistance (“PA”) Program.

LIPA has found it to be to our customers’ benefit to engage experienced consulting services to strategically manage claims development and administration to maximize eligibility of incurred costs. Other public authorities and municipalities entitled to FEMA reimbursement have similarly sought such professional assistance. LIPA currently has a contract for these services but the scope is limited to activities that were the result of Hurricane Sandy and events prior thereto.

On April 7, 2017, LIPA issued a request for proposals (“RFP”) for these services pursuant to the Disaster Recovery Purchasing Program of the U.S. General Services Administration (“GSA”), which is eligible for use by State and local governments and allows for a streamlined competition to procure products and services for recovery activities resulting from a major disaster declared by the President. The RFP, Questions and Answers and reminders were sent to 33 vendors with GSA contracts. The RFP response was due on April 28, 2017. LIPA received only one response. Two firms indicated they might have bid but for various competing priorities at the time of the RFP they did not.

On July 6, 2017 LIPA re-issued the RFP seeking responses from more than one firm. The RFP response was due August 3, 2017 and LIPA received responses from three firms; Deloitte & Touche; Grant Thornton; and Ernst & Young.

An evaluation team of three LIPA employees reviewed and scored the technical aspects of the RFP, while LIPA’s Procurement department reviewed and scored the Cost and MWBE/SDVB responses.

Below are the final scores for the three vendors, including technical, cost and MWBE/SDVB criteria:

Firms	Score
Deloitte & Touche LLP	64.34
Grant Thornton LLP	74.10
Ernst & Young LLP	92.15

Recommendation

Based on the foregoing, I recommend the approval of the above requested action by adoption of a resolution in the form of the draft resolution to award the contract to Ernst & Young LLP.

1377. ENGAGEMENT OF FIRMS TO PROVIDE HAZARD MITIGATION SUPPORT CONSULTING SERVICES

RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Ernst & Young LLP to provide hazard mitigation support consulting services to the Long Island Power Authority and its wholly-owned subsidiary, the Long Island Lighting Company d/b/a LIPA, on an asneeded basis, with the contract terms to be for a period of five years.

Requested Action

The Trustees are requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage the following firms to provide Internal Audit Services to the Long Island Power Authority and its wholly-owned subsidiary, Long Island Lighting Company d/b/a LIPA (together, the “Authority”):

Ernst & Young LLP, Protiviti Inc., KPMG LLP and Deloitte & Touche LLP

Background

The Authority needs internal audit co-sourcing services in addition to auditing services related to the examination of the Authority’s annual financial statements, which are provided under a separate contract.

The Authority chose the co-sourced model for the internal audit function, which builds on the accomplishments of the existing internal audit function by providing additional subject matter expertise or resources, when necessary.

The Authority has an internal audit department under the management of the Director of Audit. The department has a small audit staff and from time to time requires outside assistance to complete unusually large, time-sensitive or specialized projects.

Specifically, the firms engaged under the proposed contracts will be requested to assist with internal audit staffing and services for a variety of projects including operational, financial, information technology, and compliance audits, risk assessments, fraud investigations, advisory and consulting, data analytics, and professional training.

The staff anticipates using up to 3,000 hours of outside internal audit services each year under the proposed contracts.

The scope of these services will cover the Authority’s headquarters in Uniondale, NY, as well as PSEG Long Island’s operations supporting the Authority on Long Island and in Newark, NJ.

Discussion

On July 24, 2017, the Authority issued a Request for Proposals (“RFP”) seeking qualified firms to provide internal audit services for a term of five years. The RFP was noticed in the NYS Contract Reporter, posted to LIPA’s webpage and distributed to 8 firms that are known to have the resources and expertise to provide services in all areas that were requested.

By August 23, 2017, twelve firms responded to the RFP. A selection committee of staff evaluated the technical aspects of the proposals, while the Procurement staff evaluated Minority and/or Woman-Owned Business Enterprise (MWBE), Service-Disabled Veteran-Owned Business (SDVOB) and Cost aspects. Three proposers were deemed non-responsive due to failure to meet the threshold criteria stated in the RFP.

The remaining (9) nine proposals were then scored in relevant categories and firms with the top five overall scores were interviewed. Based upon the written submissions, hourly rates and the interviews conducted, EY, Protiviti, KPMG and Deloitte received the highest overall scores and were determined to provide the best value for the Authority’s customers.

I note that EY, Protiviti, KPMG and Deloitte are all nationally recognized audit firms, with extensive power and utility experience and offices in New York.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of the resolution in the form of the attached hereto.

1378. ENGAGEMENT OF FIRMS TO PROVIDE INTERNAL AUDIT SERVICES

RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the following audit firms to provide internal audit services to the Long Island Power Authority and the Long Island Lighting Company d/b/a, on an as-needed basis, with the contract for a period of five years each: 1) Ernst & Young LLP, 2) Protiviti Inc., 3) KPMG LLP and 4) Deloitte & Touche LLP.

Requested Action

The Board of Trustees (the “Board”) is requested to adopt a resolution (attached as Exhibit A) approving the proposed Board Policy on Safety (the “Policy”, attached as Exhibit B) for the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”).

Background

Staff requests the Board to provide policy guidance regarding efforts to monitor, maintain, and improve the safety of the dedicated workforce that serves the Authority and the public

and for Staff's oversight of such efforts. Other public power utilities, such as Sacramento Municipal Utility District and Omaha Public Power District, have established similar frameworks to guide their operations.

Discussion

The recommended Policy seeks to ensure that a safe working environment is maintained by: (1) assuring that the Authority's service provider and contractors: comply with all applicable health and safety laws and regulations, maintain appropriate safety procedures and programs, report incidents promptly and take corrective actions, provide training and resources to safely perform duties; (2) benchmarking the service provider's safety performance to the top 25% of peer utilities, as measured by OSHA metrics; (3) assessing and improving operational factors that contribute to injuries.

The foregoing objectives are consistent with the goals set forth in the Amended & Restated Operations Services Agreement ("OSA") and provide further context to the administration of performance metrics established pursuant to the OSA and the Budgets and Rate Plans submitted to the Board. Moreover, the Policy establishes regular performance reporting by Staff to enable the Board to assess progress against the goals of the Policy.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of the resolution in the form attached hereto.

1379. RESOLUTION FOR APPROVAL OF BOARD POLICY ON SAFETY

WHEREAS, the Board of Trustees ("Board") recognizes that safety is an essential aspect of utility operations; and

WHEREAS, the Board recognizes that safe operations require appropriate policies, procedures and practices, as well as benchmarking to the performance of peer utilities; and

WHEREAS, the Board has considered and agrees with the Policy on Safety described in and attached to the accompanying memorandum:

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the proposed Policy on Safety, in the form attached to the accompanying memorandum, is hereby approved.

Requested Action

The Trustees are being requested to approve a resolution authorizing the Long Island Power Authority (the "Authority") to enter into an Other Post-Employment Benefits ("OPEB")

Trust Agreement (“OPEB Trust” or “Trust”) to meet the future obligations for post-employment benefits (“OPEB Expenses”) provided to former employees of the Authority who meet the eligibility requirements, including their dependents and beneficiaries (collectively, the “Beneficiaries”). The Trustees are also requested to approve an Investment Policy for the Trust assets, and to appoint the Chief Financial Officer as “Trustee” and the Chief Executive Officer as the “Authorized Officer”.

Background

On December 17, 2014, the Trustees approved the establishment of an OPEB account for the purpose of establishing a reserve for the payment of future OPEB Expenses for both the Authority and PSEG Long Island employees. Currently, the Authority is depositing the actuarially determined annual expense into an existing OPEB account, however, those assets remain available, if deemed necessary by the Chief Executive Officer or the Chief Financial Officer, to pay operating expenses and debt service of the Authority. Therefore, those assets do not qualify as contributions to fund the OPEB liability under Governmental Accounting Standards (“GASB”). The Authority is requesting to establish a Section 115 Trust dedicated to OPEB Expenses for amounts related to the Authority employees to obtain the accounting advantages provided under GASB Statement No. 75 as discussed below.

The PSEG Long Island OPEB liability is a contractual liability and not subject to GASB Statement No. 75, and therefore, no benefit would be derived by depositing those assets into an irrevocable trust. Its actuarially determined annual funding will continue to be deposited in the existing OPEB account.

Discussion

In June 2015, GASB issued Statement No. 75 addressing accounting and financial reporting for OPEBs provided to the employees of state and local governmental employers. Under GASB Statement No. 75, the Authority may recognize more advantageous accounting treatment if its OPEB plan assets are maintained in a dedicated trust. Such advantages include:

- Increased assumed discount rate used in the actuarial assumptions;**
- A direct offset of the OPEB liability with the OPEB Trust assets thereby improving the Statement of Net Position (balance sheet); and,**
- Reduced annual employer contribution and expense.**

The Authority is recommending the establishment of a tax-exempt Section 115 OPEB trust. A Section 115 OPEB trust does not require an IRS private letter ruling. As such the Section 115 OPEB trust is generally less expensive than a Voluntary Employee’s Benefit Association (“VEBA”) trust. A Section 115 OPEB trust qualifies as a dedicated trust under GASB Statement No. 75, as the assets of the plan, contributions and earnings thereon are irrevocable. The Section 115 OPEB Trust plan assets will provide OPEBs to plan members, and the plan assets are legally protected from creditors.

As of August 31, 2017, the Authority has approximately \$138.0 million in the existing OPEB account. To minimize the all-in-cost of establishing the trust, the Authority is recommending to fully fund the OPEB Trust using the existing funds available in the OPEB account. Depending on the investment return assumed on plan assets, the initial deposit to fully fund the Trust will range from \$16 million to \$21 million.

In 2018, the actuarial study will be updated to reflect this transfer of funds and appropriately recalculate the future funding requirements of both the Authority's and PSEG Long Island's OPEB obligations. Upon creation of the OPEB Trust, which is irrevocable, amounts deposited in the OPEB Trust will reduce the Authority's unfunded OPEB liability.

Authorization is also requested to appoint the Chief Financial Officer as "Trustee", and the Chief Executive Officer as the "Authorized Officer" under the Trust. The Authorized Officer is authorized to give directions to the Trustee pursuant to the terms of the Trust Agreement. OPEB trusts are considered fiduciary funds in accordance with Governmental Accounting Standards and financial data for component units that are fiduciary in nature are only required to prepare a Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets.

The Trust will also be required to have an investment policy (attached hereto) which is consistent with the existing OPEB investment policy and issue a separate Investment Report. The Authority does not expect any incremental audit fee related to these additional statements.

Recommendation

The Authority is recommending the establishment of a Trust to be known as the Long Island Power Authority OPEB Trust, which will be an entity separate from the Authority, for the exclusive purpose of providing funds to provide OPEB benefits, with the intent that (i) the income of the Trust will be exempt from federal and state income tax (under Internal Revenue Code Section 115 with respect to federal income tax), (ii) transfers to the Trust will not be taxable to Beneficiaries, (iii) contributions to which will constitute funding of OPEB under GASB Statement No. 75, and (iv) all assets of the Trust will be irrevocably dedicated to providing OPEB benefits and paying expenses of administering the Trust, and will not be available to any creditors of the Authority.

The Authority is recommending to fully fund the OPEB Trust for the Authority's OPEB liability with an initial deposit ranging from \$16 million to \$21 million.

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1380. RESOLUTION AUTHORIZING THE ESTABLISHMENT AND EXECUTION OF AN OTHER POST-EMPLOYMENT BENEFITS ("OPEB") TRUST AGREEMENT ("OPEB TRUST" OR "TRUST")

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA” or the “Authority”) has determined that it is desirable for the Authority to establish a Trust to be known as the Long Island Power Authority OPEB Trust, which will be an entity separate from the Authority, for the exclusive purpose of providing funds for OPEB benefits to former employees of the Authority who meet the eligibility requirements, including their dependents and beneficiaries; and

WHEREAS, in connection with the establishment of the Trust, the Board is desirous of appointing the Chief Financial Officer as Trustee and the Chief Executive Officer as the Authorized Officer pursuant to the terms of the Trust, and adopting an investment policy consistent with the Authority’s investment policy as it relates to current OPEB obligations.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby authorizes the following:

- 1. The establishment of an Other Post Employment Benefit Trust to be known as Long Island Power Authority OPEB Trust;**
- 2. The appointment of the Chief Financial Officer as Trustee and the Chief Executive Officer as the Authorized Officer pursuant to the terms of the Trust; and**
- 3. The adoption of the investment policy consistent with the Authority’s investment policy as it relates to current OPEB obligations.**

Requested Action

The Trustees are being requested to approve and adopt a resolution authorizing the Chief Executive Officer or his designee to execute an amendment to the energy purchase agreement between the Long Island Lighting Company d/b/a LIPA (“LIPA”) and Exelon Generation Company, LLC (“ExGen”) for the continued sale of nuclear energy from the FitzPatrick Nuclear Power Plant (the “FitzPatrick Plant”) to LIPA, as set forth herein.

Background

LIPA has purchased power from the FitzPatrick Plant under a legacy contract dating back to 1975 (“Contract UD-3S”). The FitzPatrick Plant supplies approximately five percent of Long Island’s energy requirements. Since its acquisition of the FitzPatrick Plant from Entergy in March 2017, ExGen has been providing power to LIPA pursuant to Contract UD-3S² (the “Agreement”). The energy price under the Agreement is fixed, and serves as a financial hedge against volatile fossil fuel and electricity costs. Additionally, the energy provided under the Agreement is associated with LILCO’s transmission service agreements

² Effective March 31, 2017, ExGen assumed all of Entergy Nuclear Power Marketing, LLC’s rights and obligations under the Fourth Amended and Restated Contract UD-3s, pursuant to an Agreement and Consent to Assignment, Assumption and Novation, dated as of February 1, 2017 among LIPA, Entergy Nuclear Power Marketing, LLC and ExGen.

with Niagara Mohawk and Con Edison that have been used since 1975 to deliver the energy from the FitzPatrick Plant to Long Island.

In recognition of these transmission service agreements, the New York Independent System Operator (“NYISO”) awarded LIPA “grandfathered” transmission congestion contracts (“TCCs”) which are valuable financial instruments that provide the financial equivalent of delivering the FitzPatrick energy to Long Island by compensating LIPA for the “congestion” (essentially, the difference in electricity price) between the plant’s location in Scriba, New York and Long Island. To maintain the full benefits of the grandfathered transmission agreements, the NYISO requires that LIPA have a corresponding energy purchase agreement in place. The Agreement, which was last extended in 2014, is scheduled to expire on December 31, 2017.

Discussion

In recognition of the impending expiration of the Agreement, LIPA and ExGen have negotiated an amendment providing for another three-year extension, which would begin on January 1, 2018 and provide for the purchase by LIPA of annual energy volumes generally equivalent to those set forth in the current Agreement. The energy would be scheduled to LIPA by Entergy on a dayahead basis in accordance with NYISO rules.

The energy price would be fixed for the three-year term at a rate significantly lower than the current price, which reflects the market prices which are anticipated to prevail during the next three years. PSEG Long Island advises that this pricing, when combined with the net benefits of the TCCs (i.e., the amount by which the TCC revenues related to the contract are expected to exceed the charges under the transmission service agreements), would provide economic benefits to LIPA’s customers compared to the alternative of not extending the contract and securing the energy elsewhere.

Additionally, the fixed price non-fossil based energy provides a hedge against energy price volatility as well as providing a carbon free energy source to LIPA. The estimated total contract value of the 3-year extension is approximately \$102 million.

It should be noted that the other terms and conditions of the Agreement will remain substantially the same.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1381. RESOLUTION TO APPROVE FITZPATRICK CONTRACT EXTENSION

WHEREAS, the Authority and its predecessor LILCO have been purchasing power from the Fitzpatrick nuclear plant since 1975 and the current power purchase agreement between

LILCO and the current plant owner Exelon Generation is set to expire on December 31, 2017 (“FitzPatrick PPA”); and

WHEREAS, PSEG Long Island has negotiated an extension of the FitzPatrick PPA under favorable terms and conditions which enable the Authority to continue to purchase carbon-free energy to supply approximately 5% of its annual energy requirements (“FitzPatrick PPA Amendment No. 5”);

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Chief Executive Officer or his designee is authorized to execute the FitzPatrick PPA Amendment No. 5 and such other documents as may be necessary or appropriate to effectuate it.

The Chair stated that the next item on the agenda was a presentation regarding storm preparedness efforts since Sandy, to be presented by PSEGLI John O’Connell.

Mr. O’Connell gave the presentation regarding storm preparedness efforts since Sandy and then took questions from the Trustees.

The Chair stated that the next item on the agenda was the consideration of Tariff changes related to low income customers.

After requesting a motion on the matter, which was seconded, the Chair indicated that the matter would be presented by Justin Bell.

Mr. Bell presented the following action item:

Requested Action

The Trustees are being asked to approve changes to the Authority’s Tariff for Electric Service (“Tariff”) effective October 1, 2017 (1) to update discounts for low income customers in order to improve affordability, (2) to help customers better guard against bill volatility by automatically enrolling customers receiving low income discounts in the Authority’s balanced billing program, (3) to ease re-enrollment by existing participants in the low-income discount program by providing a grace period for re-enrollment, and (4) to update eligibility requirements.

Background

In January 2015, the Public Service Commission (“PSC”) opened a proceeding to examine the low-income customer discount programs offered by the major electric and gas utilities in New York State with the purpose of standardizing utility low income programs to reflect best practices. Following a period of study and analysis by the Department of Public Service (“DPS”) and comments from utilities and the public, the PSC issued an order in May 2016 setting forth policy guidelines and ordering modifications to the low-income programs of the State’s utilities. See Order Adopting Low Income Program Modifications and Directing Utility Filings, in Case 14-M-0565 (May 16, 2016).

The Order identified utility best practices for energy affordability and announced a policy that a New York household’s energy burden should constitute no more 6% of the household’s income. In response to the PSC Order, the regulated utilities have implemented increases to their low income customer discounts and have announced future plans to implement tiered discounts with the goal of providing discounts that lower the energy burden on low income customers towards 6% of household income. In further response to the PSC Order, the regulated utilities have agreed to automatically enroll customers receiving low income discounts in the utilities’ balanced billing programs (providing customers the option to remain in standard billing).

Proposed Changes

The Authority’s Tariff currently includes reduced service charges for qualifying low income customers that equate to a discount of approximately \$5 per month for low income customers without electric heating and \$10 for low income customers with electric heating. Authority Staff now proposes to further reduce applicable service, energy, and meter charges for low income customers in order to increase the total effective discounts to \$15 per month for low income customers without electric heating and \$20 per month for low income customers with electric heating.¹ These proposed changes will make the Authority’s low income discounts consistent with discounts offered by other New York utilities.

The PSC has directed the regulated utilities to enroll low income customers in the utilities’ balanced billing plans by default unless such customers choose to remain on standard billing. Authority staff proposes to make the same change to the Authority’s Tariff.

The Tariff currently requires customers receiving low income discounts to re-enroll each year and does not provide a grace period for re-enrollment. The Authority’s Service Provider, PSEG Long Island, has observed that the application process a customer must undertake each year to re-enroll often results in gaps in low income customers’ program participation. Staff proposes to allow four additional months from the enrollment expiration date for customers to complete re-enrollment in order to prevent disruptions in low income

¹ The low-income discount for customers enrolled in the Authority’s voluntary residential time-of-use (“TOU”) rate will be approximately \$13.50 based on a 30 day month due to the unique structure of the charges associated with this service classification. In coordination with this proposal, PSEG Long Island will conduct outreach to the existing low income customers currently on the voluntary TOU rate (approximately 20 customers) in order to offer advice regarding opportunities for these customers to realize additional bill savings by changing their energy usage or transferring to a different rate.

customers' monthly receipt of discounts and to avoid unnecessary program enrollment changes by the service provider.

Eligibility for the Authority's low income discount is determined by customers' participation in various state and federal governmental aid programs identified in the Tariff. In the time since that tariff language was approved, certain of the governmental aid programs used to determine eligibility have been renamed. Staff proposes to update the Tariff to reflect the current names of such programs and to provide flexibility in the Tariff for the list of qualifying aid programs to be modified from time to time as programs change.

The PSC has also moved to prevent low income customers from purchasing energy from energy service companies ("ESCOs") given overwhelming evidence that low income customers pay more to ESCOs for energy than such customers would pay to a utility.² Accordingly, Authority staff now proposes to specify in the Tariff that the Authority may limit participation in Long Island Choice as needed to protect low income customers from predatory practices by ESCOs.³ This is consistent with New York State policy as set forth in the PSC's recent orders on ESCO service to low income customers.⁴

Separate from and in addition to these proposed Tariff changes, the Authority's Service Provider, PSEG Long Island, has undertaken an initiative to increase participation in the low-income discount program through enhanced outreach efforts and intensified social media, print, email and other measures to promote program participation. PSEG Long Island estimates that this initiative will increase participation in the low-income discount program from approximately 20,000 currently participating to 25,000 customers. This increase in participation is consistent with LIPA's own priorities and the policies that are being promoted throughout the State by the PSC.

Lastly, consistent with the PSC's Order and the plans of other New York utilities, Staff intends to introduce a proposal for tiered low income discounts in 2018.

Financial Impacts

The financial impact of increasing the low-income discounts is estimated to be approximately \$2.2 million per year beginning in 2018.

Comments Received from the Public:

Public hearings were held on August 28th, 2017 in Nassau and Suffolk Counties, and written comments were accepted through September 6th, 2017.

²Order Adopting a Prohibition on Service to Low-Income Customers by Energy Service Companies, in Case 12-M-0476 (Dec. 16, 2016); *see also Nat'l Energy Marketers Ass'n v. N.Y. State Pub. Serv. Comm'n*, Index No. 5860-16 (Albany Cnty. Sup. Ct. June 30, 2017).

³PSEG Long Island and the Authority currently have no customers enrolled in both the low income discount program and Long Island Choice

⁴*See supra*, Note 2.

The following comments were received in support of the proposal:

Rebecca Sanin, President and Chief Executive Officer of the Health and Welfare Council of Long Island: “I applaud PSEG Long Island and LIPA in their efforts to bring relief and resources to our working families and seniors on Long Island. Many Long Islanders are failing to meet their survival budgets resulting in more and more of our neighbors are making hard choices every day about food, housing, transportation and how to stretch the dollar to meet basic needs. Recognizing these challenges and proactively reducing costs is a step in the right direction for Long Island’s struggling families.”

Michael Corso, chair of the Low-Income Interagency Task Force: “I commend LIPA for its proposal to increase discounts for qualifying low-income customers, facilitate their continued enrollment in the program and increase their protections. As the Department of Public Service noted in its recommendations on the proposal, this is a significant initial step in LIPA’s consistency with the low-income policy established by the New York State Public Service Commission in a time frame matching other New York State utilities.”

Lisa Tyson, Director of the Long Island Progressive Coalition: “We commend LIPA’s Trustees in taking this step to increase the discount for our fellow Long Islanders who struggle every month to pay their electric bills. We look forward to continuing to work with LIPA and our social agencies to identify and help low- income families sign-up for this discount.”

Theresa Regnante, President & CEO of the United Way of Long Island: “By providing this discount to the electric bill and making it easier to enroll and continue to access this discount, LIPAs Trustees will be helping low-income households all-across the Island make their electric bill more affordable.”

Eric Alexander, Director of Vision Long Island: “The action being taken by LIPA’s Trustees will provide much needed assistance in order for low income customers throughout Long Island to access affordable energy enabling them to keep their lights on.”

Neal Lewis, Executive Director of the Sustainability Institute at Molloy College: “LIPA is doing the right thing by taking steps to make it easier for those in need to better access discount and balance payment programs. Electric service is vital to modern life and it is critically important to provide mechanisms to assist low and moderate income households to pay their electric bills.”

No comments were received in opposition to the proposal.

Comments Received from the Department of Public Service:

The DPS has reviewed and is supportive of the proposal.

Recommendation:

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

After questions and a discussion by the Trustees and the opportunity for the public to be heard, upon motion duly made and seconded, the following resolution was passed by the Trustees.

1382. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF FOR ELECTRIC SERVICE REGARDING LOW INCOME CUSTOMERS

WHEREAS, pursuant to the Tariff for Electric Service ("Tariff") of the Long Island Power Authority ("LIPA" or the "Authority"), the Authority provides discounted rates and charges in order to improve affordability for low income customers; and

WHEREAS, on May 16, 2016, the New York Public Service Commission (the "PSC") issued an Order Adopting Low Income Program Modifications and Directing Utility Filings, in Case 14-M-0565 (the "Order"), which ordered the regulated utilities to increase their low-income customer discounts and automatically enroll recipients of low-income customer discounts in utility balanced billing programs; and

WHEREAS, the Authority and the Service Provider regularly assess the affordability of rates and charges respecting low-income customers and have determined that an increase in its low income customer discounts and other improvements to the Authority's low-income customer programs consistent with the PSC's Order are warranted; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on July 12, 2017, two public hearings were held in Nassau and Suffolk counties on August 28, 2017, no comments were received at the hearing from the public, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff are hereby adopted and approved to be effective October 1, 2017; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

The Chair stated that the next item on the agenda was the consideration of a Board Policy on Undergrounding.

After requesting a motion on the matter, which was seconded, the Chair indicated that the matter would be presented by Rick Shansky.

Mr. Shansky presented the following action item:

Requested Action

The Board of Trustees of the Long Island Power Authority (“LIPA” or the “Authority”) is requested to adopt a resolution approving the Board Policy on the Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects (“Policy”), as further described below.

Board Policy on Underground Facilities and Public Outreach

LIPA’s construction of transmission and distribution facilities is subject to certain statutes and regulations concerning environmental review that are substantially similar to Public Service Commission (“PSC”) regulations governing construction by the State’s investor-owned utilities. The PSC’s regulations provide detailed guidance to investor-owned utilities on how to consider environmental impacts.

To provide assurance that LIPA’s construction of major projects is consistent with best practices followed statewide, Authority Staff recommends that the Board adopt the proposed Policy to document and supplement existing practices and guide consistent decision-making related to:

- (i) the evaluation of system-wide benefits and costs of underground construction of projects where such benefits may exceed their costs,**
- (ii) public outreach prior to construction of major projects, and**
- (iii) accommodating local preferences for underground construction, if constructed with local funding.**

Specifically, the Policy defines the process for reviewing PSEG Long Island’s decisions to construct overhead or underground facilities based on criteria similar to those used by all utilities throughout New York State.

These statewide undergrounding criteria require a higher level of diligence for “Priority Areas” when contemplating overhead construction. Such Priority Areas include:

- National or State parks, preserves, reservations, landmarks, and monuments formally so designated and acquired for their natural, scenic or cultural value by appropriate State and Federal agencies;
- Historic sites formally so designated by National or State agencies but without acquisition of rights or ownership sufficient for the purpose of preservation;
- Central Business Districts;
- Developed and partly developed residential areas with an existing density of one or more dwelling per acre, occupying a minimum of 20 contiguous acres, all or a portion of which would be traversed by the proposed transmission facility.

In such Priority Areas, an “advantage-disadvantage” analysis is required that evaluates such factors as the:

- Availability of existing corridors for additional transmission facilities;
- Construction costs;
- Lifecycle costs;
- Technological considerations; and
- Relative visual impact, including incremental impact compared to existing surroundings.

Furthermore, the Policy provides affected communities information sufficiently in advance of construction to have a meaningful opportunity to participate in project planning. Public officials, civic leaders and communities hosting and affected by proposed projects will benefit from early and substantive outreach that matches industry best practices, as mutually agreed upon by LIPA, the Service Provider, and the Department of Public Service. For all projects covered by the proposed Policy, an appropriately detailed report containing project plans will be prepared no later than six months prior to the planned construction date to give communities the opportunity to fully consider impacts and provide feedback during the planning process.

Finally, to the extent a host community desires the construction of underground facilities at a cost that exceeds those determined appropriate under the Policy, the Policy recognizes that the host community should have the ability to underground all or a portion of the facility by funding the incremental cost and affirms the Authority’s readiness to serve each community in a way that is fair to all customers.

Public Comments on Policy

On August 16, 2017, the Authority mailed and emailed the proposed Policy to various elected officials and stakeholders, posted the Policy on its website, and invited public comments through Wednesday, September 20, 2017. Thirty-two comments were received by letter and email.

Supportive comments of the proposed Policy included:

Mitch Pally, Chief Executive Officer of the Long Island Builders Institute (LIBI) said "LIPA's policy creates a level playing field and uniform standard on underground construction that will not increase cost for all customers to benefit an individual community that looks to underground lines. This policy eliminates confusion on where it's appropriate to underground by making the New York State standard also the Long Island standard."

Ron Bauer, Business Manager IBEW 1049, said "The LIPA Reform Act's \$2.8 billion investment to storm harden the electric grid for our Long Island neighborhoods has provided hundreds of local construction jobs and builds a stronger defense against extreme weather events. We support LIPA's policy to continue to invest in storm infrastructure and responsibly balance when and where to underground."

Gordian Raacke, Executive Director of Renewable Energy Long Island said "A standardized process with outreach to affected communities, officials, and civic leaders ahead of construction of transmission and distribution lines, as well as providing benefit-cost analyses makes sense. We commend LIPA and PSEG Long Island for developing a draft policy and making it available for public review and comment before adoption."

Sammy Chu, Chief Innovation Officer for United States Green Building Council, Long Island Chapter said "USGBC-LI appreciates LIPA and PSEG Long Island recognizing and listening to communities with enhancements to better assure a transparent, smart, and responsible plan to address local concerns, maintain high reliability in a consistent and fair manner for individual communities and all customers."

Dan Cahill, a resident of Montauk, New York, proposed undergrounding a specific section of utility lines on Old Montauk Highway and stated "our interests are completely aligned" as the "community will pay for the additional costs of burying the utility lines."

Several commenters made suggestions regarding the (i) scope of analysis, (ii) methods for funding underground construction; (iii) clarification of certain terms used in the Policy; and (iv) public outreach efforts. A summary of such comments includes:

Scope of Analysis

Comment: Supervisor Schneiderman, on behalf of the Town of Southampton,¹ proposed that the "advantage-disadvantage" analysis should consider impacts within a "reasonable radius around the project area" instead of the impacts to the public at large (i.e., the whole LIPA service area). The Town also seeks to include "Other Areas" within the scope of the analysis.

¹ The Towns of Brookhaven and Southampton are parties to litigation against the Authority and its service provider regarding the recently rebuilt 7.1-mile 69kV Eastport-to-Riverhead transmission line. Additionally, Assemblyman Thiele and Senator LaValle advocate undergrounding in its entirety that line, which has been overhead since first installed in the 1960s. Because of the pending litigation, the Staff is limited in the extent to which it can address comments specifically about the Eastport-to-Riverhead transmission line.

Comment: Andrea Spilka, on behalf of the Southampton Town Civic Coalition¹, suggested that the policy “allow the community to have input to the criteria for the local advantages/disadvantages analysis”.

Staff Response: Since the financial impact of additional underground construction would affect rates throughout the service area, it is both reasonable and consistent with statewide practice to consider the impact of the benefits and costs on the entire LIPA service area. As the intent of the Policy is to conduct the same analysis as other utilities in New York, it would be inconsistent to change the scope of the analysis to one whereby local aesthetic choices not meeting the statewide undergrounding standard would be paid for by all customers. The Policy provides local communities the opportunity to make such local aesthetic choices with local funds.

Comment: Andrea Spilka, on behalf of the Southampton Town Civic Association¹, concurred with comments of Southampton Town Supervisor Schneiderman¹ and comments of Assemblyman Thiele and Senator LaValle¹ (discussed below).

Additionally, Ms. Spilka, along with several commenters from Eastport, suggested that potential impacts of proposed projects on evacuation routes and on traffic safety be considered. Jolie Trueman-Honey suggested that poles along County Route 51 near Eastport be placed 15 or 20 feet back from the edge of the road¹.

Furthermore, Ms. Spilka requested that the policy “clearly define the service area” and “include local parks, historic districts, etc. in the decision-making process, (not just those at the State or Federal level).

Comment: Jim Gleason, on behalf of East Moriches Property Owners Association, Inc.¹, suggested that applying different standards for national and state protected areas on the one hand and ones protected by County and localities “is baseless”.

Staff Response: Staff’s responses to the Thiele/LaValle comments appear below.

With respect to traffic safety, LIPA’s Service Provider coordinates with state, county and local traffic regulators throughout the project planning and construction process on traffic safety issues.

Additionally, LIPA’s service area is defined in the LIPA Act and LIPA’s tariff.

Finally, the proposed Policy requires that local parks, local historic districts and many other areas of potential local concern be inventoried in the planning report to be prepared pursuant to the Policy and used in outreach for the project. The dichotomy mentioned by Mr. Gleason is consistent with State environmental and utility regulation applied to all other utilities in New York. That statewide standard ensures that the costs and benefits of undergrounding are allocated fairly to all customers in the service area. By contrast, it would be unfair to enable localities to impose additional cost for undergrounding across Long Island for local benefit.

Comment: John Balsamo, among other comments addressed elsewhere in this memo, expressed concern with electromagnetic radiation (EMR) emitted by overhead transmission lines.

Staff Response: EMR concerns associated with electrical facilities have been extensively studied and are reflected in engineering and industry standards with which LIPA's facilities comply. Where potential for EMR impact exists from a project, it is thoroughly analyzed prior to the project's authorization and construction.

Funding

Comment: Assemblyman Fred Thiele Jr.¹ and State Senator Kenneth LaValle¹ proposed an alternative approach whereby municipalities would cost-share underground construction in municipality-designated utility improvement districts, with 80% funding by LIPA that would come from a new set aside of at least 10% percent of the Authority's annual capital budget (approximately \$70 million per year) for undergrounding. If funding is insufficient for all projects, projects would be ranked by "degree of public interest."

Comment: The Town of Southampton¹ concurred with the Thiele-LaValle proposal and argued that giving communities the ability to pay for undergrounding if they wish would disadvantage 'low socio-economic communities'.

Comment: The Town of East Hampton concurred with the Town of Southampton's comments and the alternative Thiele-LaValle approach to system-wide funding of underground projects that do not meet the cost-benefit criteria applied in the rest of the state but have a "degree of public interest."

Comments: Jim Gleason, on behalf of East Moriches Property Owners Association¹, Inc., suggested that imposing the cost of undergrounding on "a limited group of rateholders" penalized those in "lower economic areas".

Staff Response: The Authority estimates that the legislators' proposal would increase electric rates, when fully implemented, by approximately 2 percent per year. Funding would be nearly sufficient to underground the 7.1-mile Eastport-to-Riverhead line immediately, as advocated by the legislators, but with more than 10,000 miles of overhead transmission and distribution lines in the service area, most communities would pay a cost but not see a benefit.

The proposed 2 percent rate increase for undergrounding would provide sufficient funding to underground the Authority's system over approximately 660 years, at a rate of 7 to 17 miles per year, depending on the type of line, and at a total cost in excess of \$46 billion in today's dollars.

Furthermore, the legislators' proposed "degree of public interest" standard for undergrounding would shift 80 percent of the additional cost of undergrounding to communities that do not share in its benefits.

By contrast, Staff believes that the proposed Policy protects socioeconomically-disadvantaged communities from having to subsidize local undergrounding investments that do not benefit them or the system, while providing communities that would like to underground lines for local rather than systemwide benefit the ability to do so at their own expense. One commenter, Dan Cahill, noted above, supported such a proposal in Montauk.

Finally, the Authority has undertaken a multi-year \$730 million storm hardening investment on behalf of all communities that provides reliability and resiliency benefits to all customers.

Comment: Madelyn Lombardi of Huntington proposed undergrounding utility poles near her home for aesthetic reasons. Several commenters advocated “placing utility poles underground” for severe storms. Thirteen commenters requested that the recently reconducted transmission line in Eastport be buried.¹ Fred Orestuk suggested that the 37kV distribution line between Riverhead and Orient Point be buried to limit weather and terrorism risks.

Staff Response: The proposed Policy provides communities with tools to make local aesthetic choices; however, as noted above, the electric system on Long Island has over 10,000 miles of overhead line and will remain primarily an overhead system. The cost to underground lines similar to those in front of Ms. Lombardi’s home across the Island is approximately \$46 billion. To Messrs. Antoniello and Orestuk’s requests, the Authority has undertaken a multi-year \$730 million storm hardening program that substantially improves reliability and resiliency for all customers using FEMA funding.

Comment: The Department of Public Service suggested that the allowances required of investor-owned utilities by certain State regulations be available to LIPA customers who wish to underground their lines. Specifically, 16 NYCRR 100.1(b) requires that distribution and service lines and appurtenant facilities for buildings with four or more units or for planned subdivisions with six or more residential buildings be installed underground under certain circumstances. Furthermore, 16 NYCRR 98.2(e) provides that where the utility is required to provide underground residential service, the utility must bear the cost of up to a total of 100 feet of underground distribution, supply and service line required per unit and 16 NYCRR 98.2(f) provides that where the applicant for new service requests residential underground service line that is not required by 16 NYCRR 98.2(e), the utility must bear the portion of the cost of undergrounding equivalent to the cost of installing the length of overhead service to which the applicant is entitled.

Staff Response: The Authority’s existing tariff incorporates the requirements of the referenced regulations relating to undergrounding and cost-bearing allowances. Ongoing conformity with these provisions has been added to the Policy as a policy principle.

Requests for Clarification

Comment: The Towns of Brookhaven¹ and Southampton¹ proposed that the Policy include hamlets within its definition of a municipality, and that each central business district in a municipality with multiple business districts be recognized as a Priority Area.

Staff Response: This is a reasonable suggestion that is in keeping with the spirit of the Policy. The Policy has been revised to include consideration of all central business districts and hamlets.

Comment: The Towns of Brookhaven¹ and Southampton¹ sought clarification of several terms used in the Policy (e.g., relative visual impact).

Staff Response: The Policy intends for all such terms to be interpreted in the same manner as the corresponding PSC regulations. Any attempt to further define such terms could introduce unintended inconsistency.

Comment: LIPA Trustee Greenfield requested that all Trustees be provided with a copy of each report that will be prepared consistent with the provisions of 16 NYCRR 102.

Staff Response: The Policy has been modified to accommodate this request.

Public Outreach

Comment: Supervisor Romaine, on behalf of the Town of Brookhaven¹, suggested that outreach include provision of photo simulations of the planned work “so that the community can actually view what is being planned and that outreach occur “during the planning process.”

Comment: Supervisor Romaine, on behalf of the Town of Brookhaven¹, additionally suggested that “outreach to public officials and the community ... [should] begin at the earliest stage of the planning process, prior to any determination or approval.” Supervisor Romaine further stated that “outreach should require disclosure of the advantage-disadvantage analysis² contemplated by the policy... including photo simulations” and that outreach should require “meetings, open and on notice to the public...”

Comment: Assemblyman Fred Thiele Jr.¹ and State Senator Kenneth LaValle¹ state that they “need specific procedures to guarantee the public will be adequately notified and afforded a real opportunity to participate in the planning process.”

Comment: Supervisor Larry Cantwell, on behalf of the Town of East Hampton, supported the points made by Southampton Town¹ and the alternatives proposed by Assemblyman Thiele and Senator LaValle.¹

Comment: Andrea Spilka, on behalf of the Southampton Town Civic Coalition,¹ suggested that the policy “include a sincere goal of communicating with local officials and the community in a clear, timely and specific manner.”

² The comment further enumerates various requirements already included in the advantage-disadvantage analysis.

Comments: Jim Gleason, on behalf of East Moriches Property Owners Association¹, Inc., strongly agreed with the view of Senator LaValle and Assemblyman that the proposed policy be revised and suggested that the outreach provisions of the proposed policy are not sufficiently detailed.

Comments: Six individual commenters requested that adequate notice be given to hosting communities prior to construction.

Staff Response: The Policy incorporates a policy principle of “conducting public outreach ... in advance of the construction of major process ... as mutually agreed by the Service Provider and LIPA, and in consultation with the Department of Public Service.” The Policy intends that information, including photo-simulations of visual impacts and the advantage-disadvantage analysis, if applicable, be provided for eligible projects during the planning process, in advance of a State Environmental Quality Review Act (“SEQRA”) determination.

LIPA’s Service Provider implements a large number of widely varying infrastructure projects each year. There is therefore no “one size fits all” approach to public outreach. However, there are consistent principles to guide the public outreach process. *LIPA’s Principles for Public Outreach Prior to Construction of Major Projects* have been appended to the Policy to further address public outreach concerns.

The Authority has nearly doubled its infrastructure spending since 2014, with record investments in reliability and resiliency. Corresponding with this increased investment has been a dramatic increase in the number of construction projects, including complex efforts with significant public outreach like the Southold-to-Shelter Island Cable. In addition, over the last two years, there have been over 20 projects with a level of complexity requiring a SEQRA determination.

Staff believes the proposed Policy enhances the existing outreach efforts, which are already substantial, including through directing the preparation of a report for eligible overhead transmission line projects. The report will be available no later than six months prior to planned construction and provide affected communities with the opportunity to fully consider the impacts of overhead transmission during the Service Provider’s planning process. The report includes a description of the contemplated project, the need, an advantage-disadvantage analysis, and the underground alternative.

Recommendation

Based upon the foregoing, I recommend the approval of the above requested action by adoption of a resolution in the form attached.

After questions and a discussion by the Trustees and the opportunity for the public to be heard, upon motion duly made and seconded, the following resolution was passed by the Trustees.

1383. APPROVAL OF BOARD POLICY ON EVALUATION OF UNDERGROUND FACILITIES AND PUBLIC OUTREACH PRIOR TO CONSTRUCTION OF MAJOR PROJECTS

RESOLVED, that the LIPA Board of Trustees hereby approves and adopts the Board Policy on the Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects in the form presented at this meeting.

The Chair stated that the next item on the agenda was the CFO's Report presented by Joseph Branca.

Mr. Branca presented the CFO Report and took questions from the Trustees.

The Chair stated the next item on the agenda was the PSEG Long Island Operating Report presented by Daniel Eichhorn and Dave Lyons.

Mr. Eichhorn and Mr. Lyons presented the PSEG Long Island Operating Report and took questions from the Trustees.

The Chair then allowed public comment to be heard, after which he announced that the Board Budget Workshop was scheduled for November 14, 2017, and the Budget Public Sessions would be held on November 15, 2017.

The Chair then asked for a motion to adjourn to executive session to discuss pending litigation matters and announced that no votes would be taken in executive session, and that the

Trustees would not be returning to open session. The motion was duly made and seconded, and the following resolution was adopted:

1384. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation matters.

At approximately 1:36 pm the open session of the Board of Trustees was adjourned on a motion to enter into executive session which ended at approximately 2:26 pm.
