

Oversight Committee Charter
Long Island Power Authority
March 29, 2017

PURPOSE

The Long Island Power Authority (the “Authority”) has responsibility for overseeing the performance of PSEG Long Island (“PSEG LI”) under the Amended and Restated Operations Services Agreement (“Amended OSA”), with the goal of ensuring that customers in the Service Territory receive safe, reliable, efficient, clean and affordable utility service.

To carry out its responsibility to assure that the Authority and PSEG LI reach these goals, the Board of Trustees has established the Oversight Committee¹ (the “Committee”) and assigned to it the oversight responsibilities set forth below.

MEMBERSHIP

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair (“Committee Chair”). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

MEETINGS

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the Committee members then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and

¹ When it was established in 2014, the Committee was named the Contract Oversight Committee, in reference to its oversight of compliance with the Amended OSA. It is being renamed the Oversight Committee to reflect the breadth of its responsibilities.

Article 7 of the Public Officers Law that relate to public notice, public speaking and conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of the Authority, PSEG Long Island or the Authority's outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

RESPONSIBILITIES

The Committee shall, with information supplied by Authority and PSEG LI staff:

- Monitor PSEG LI's performance under the Amended OSA related to: performance metrics; emergency management; transmission and distribution operations; energy efficiency and renewable goals; capital and operating budget expenditures; communications with stakeholders; customer service, billing and collections; power supply and fuel supply management (as carried out by PSEG Energy Resources & Trade); power markets activities; senior management staffing; and other matters related to PSEG LI's scope of services under the Amended OSA;
- Monitor PSEG LI's compliance with "Contract Standards" as defined in the Amended OSA, including compliance with applicable law and New York Public Service Commission practices; PSEG LI's environmental stewardship goals, and its compliance with policies adopted by the Authority and the State;
- Monitor PSEG LI's implementation of recommendations included in Management and Operations Audits conducted by the Department of Public Service;
- Review recommendations made by the Department of Public Service with respect to PSEG LI's performance and proposed programs, expenditures, and tariff changes²;
- As needed to assist the Board of Trustees in considering proposed power supply or transmission transactions, review contracts and recommend appropriate action by the Board of Trustees;
- Review Authority management's operations and financial oversight process; and
- Report and make recommendations to the Board of Trustees from time to time on the results of its reviews and monitoring of the foregoing, and carry out such other responsibilities consistent with its purpose as may be assigned from time to time by the Chair of the Board of Trustees or the Board of Trustees.

² The Oversight Committee will coordinate with or defer to the Finance and Audit Committee on recommendations from the Department of Public Service that also have significant financial implications.