

DEBT COVENANT COMPLIANCE

REQUEST FOR INTEREST

DATED: July 31, 2017

The Long Island Power Authority (the Authority) is a component unit of New York State (State). The Authority became the retail supplier of electric service in the Counties of Nassau and Suffolk (with certain limited exceptions) and a portion of Queens County known as the Rockaways (Service Area), on May 28, 1998 by acquiring the transmission and distribution (T&D) system of the Long Island Lighting Company (LILCO) as a wholly owned subsidiary of the Authority. As part of the acquisition, the Authority also acquired an undivided 18% interest in the Nine Mile Point Unit 2 (NMP2) generating facility, located in upstate New York, which is operated and managed by Exelon Corporation.

In the normal course of business, the Authority issues long and short term debt for capital expenditures. We are seeking firms that can generate a Debt Covenant Compliance system to more effectively control the process. As of December 31, 2016, the Authority had the following debt:

- \$3.4 billion long term LIPA Electric System General Revenue Bonds
- \$4.0 billion in long term Utility Debt Securitization Authority (UDSA) Bonds
- \$0.2 billion in short term commercial paper notes
- \$0.2 billion in subordinated short term commercial paper notes

There are various series of bonds issued under resolutions and notes with LOCs from different banks, etc.

The bonds and notes have various disclosure and covenant requirements, as well as reporting obligations with numerous parties including, but not limited to: banks, bond insurers, swap counterparties, rating agencies, LOC providers, trustees, etc. To efficiently track the various covenants, we are requesting firms to provide LIPA with an automated Debt Covenant Compliance system.

Please provide the qualifications your firm has regarding the following:

- Prior experience providing debt covenant compliance applications;

- Resumes of top management who would be assigned to the project;
- References from firms that have utilized your services;
- Summarize how your firm can mitigate risks associated with the covenants;
- Does your proposed system differentiate between monetary and technical defaults?
- Estimated timeframe to implement the system.

The responses should be no longer than 5 pages. Proposals must be submitted by email to ahulka@lipower.org and macem@pfm.com. The responses are due by Friday, August 11, 2017 by 5:00 p.m. (EST).

Please send questions to Ann Hulka via email to ahulka@lipower.org by 8/3/2017, 3PM. Answers will be sent to interested vendors and posted to LIPA's website by 8/8/2017, 3PM.

Contact with LIPA Trustees, staff or legal and financial advisors on matters pertaining to this RFI is prohibited and may lead to disqualification. Thank you and we look forward to your response.