



December 2024 Financial Results

Finance and Audit Committee

January 23, 2025

Presented by: Donna Mongiardo, CFO LIPA
and Martin Shames, Senior Director of Finance PSEG LI



LIPA Consolidated Results – December 2024

(\$ in thousands)

	Actual ¹	Budget ²	\$ Var.	% Var.
Revenues	\$4,094,492	\$4,190,774	(\$96,282)	-2.3%
Power Supply Charge	1,965,123	2,019,085	53,962	2.7%
Revenue Net of Power Supply Charge	2,129,369	2,171,689	(42,320)	-1.9%
PSEG Long Island Operating and Managed Expenses				
PSEG Long Island Operating Expenses	678,823	686,457	7,634	1.1%
PSEG Long Island Managed Expenses	113,212	157,624	44,413	28.2%
Utility Depreciation	339,939	382,340	42,401	11.1%
PILOTs	344,811	350,944	6,133	1.7%
LIPA Operating Expenses	94,694	132,520	37,826	28.5%
LIPA Depreciation and Amortization	138,799	138,429	(370)	-0.3%
Interest Expense	367,186	363,361	(3,825)	-1.1%
Total Expenses	\$2,077,464	\$2,211,676	\$134,213	6.1%
Other Income and Deductions	106,601	82,635	23,966	29.0%
Grant Income	46,898	40,412	6,485	16.0%
Total Non-Operating Revenue	\$153,499	\$123,047	\$30,452	24.7%
Change in Net Position	\$205,405	\$83,060	\$122,345	147.3%

Note: Variance - favorable/(unfavorable)

¹ Year-end results are unaudited, subject to change

² LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

LIPA Managed Expenses & Income – December 2024

- LIPA operating expense is under budget by \$37.8M due to (i) unreleased PSEGLI Pending Project expenses of \$7.7M, (ii) unused LIPA risk and contingency of \$5.5M, (iii) \$10.6M due to lower PSEGLI Incentive Compensation, (iv) lower outside service expenses of \$9.3M and (v) the favorable impact of adoption of compensated absences governmental accounting standard of \$2.7M.
- Interest expense is over budget (\$3.8M) due to an increase in the average outstanding amounts of short-term borrowing compared to the budget.
- Other income and deductions are favorable against budget by \$21.5M due to (i) gains on the OPEB Account of \$9.8M, Nuclear Decommissioning Trust of \$2.0M and System Resiliency Fund of \$2.6M (ii) a damage claim settlement of \$1.5M and (iii) higher interest earned on the Rate Stabilization Fund, OPEB Account, Operating Fund and UDSA accounts due to higher than budgeted rates.
- Grant Income is favorable against budget by \$6.5M due to FEMA reimbursement grant received related to COVID-19 costs.

(\$ in thousands)

LIPA Expenses

LIPA Operating Expenses
LIPA Depreciation and Amortization
LIPA Deferred Amortized Expenses
Interest Expense, other Interest Costs
and Interest Amortizations

Total Expenses

Other Income and Deductions
Grant Income

Total Income

LIPA Capital

	Actual ¹	Budget ²	\$ Var.	% Var.
LIPA Expenses				
LIPA Operating Expenses	\$94,694	\$132,520	\$37,826	28.5%
LIPA Depreciation and Amortization	113,785	113,415	(370)	-0.3%
LIPA Deferred Amortized Expenses	25,014	25,014	-	0.0%
Interest Expense, other Interest Costs and Interest Amortizations	367,186	363,361	(3,825)	-1.1%
Total Expenses	\$600,679	\$634,310	\$33,632	5.3%
Other Income and Deductions	79,147	57,688	21,460	37.2%
Grant Income	46,898	40,412	6,485	16.0%
Total Income	\$126,045	\$98,100	\$27,945	28.5%
LIPA Capital	\$1,416	\$10,000	\$8,584	85.8%

Note: Variance - favorable/(unfavorable)

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² LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

LIPA Liquidity Position – December 2024

<i>(\$ in thousands)</i>	December 31, 2024	Days Cash	November 30, 2024	Days Cash
Operating liquidity				
Unrestricted cash, cash equivalents, and investments	\$ 694,859		\$ 709,714	
OPEB Account cash, cash equivalents, and investments	736,023		754,845	
PSEG Long Island working capital requirements	304,612		328,672	
Total operating liquidity	1,735,494	189	1,793,231	196
Available credit				
General Revenue Notes - Revolving Credit Facility	200,000		200,000	
General Revenue Notes - Commercial Paper	700,000		700,000	
Total available credit	900,000		900,000	
Total cash, cash equivalents, investments, and available credit	\$ 2,635,494	287	\$ 2,693,231	294
Restricted cash and cash equivalents				
Clean Energy Compliance Fund	20,572		20,522	
UDSA	129,695		292,883	
Repayment of Series 2021 Notes	250,000		250,000	
Total restricted cash	\$ 400,267		\$ 563,405	

LIPA continues to exceed its required 150 days cash and available credit on hand

PSEG Long Island Operating Expenses – December 2024

Total expense is under budget by \$7.6M primarily due to:

- T&D is over budget by (\$5.3M) due to additional storm hardening.
- Asset Management is under budget by \$2.5M due to lower consulting costs for ISO55000 coupled with lower headcount.
- Construction & Ops is under budget by \$2.7M due to a real estate tax credit, lower maintenance from National Grid, and lower Outside Services, partially offset by the Fire Island Shoreline Restoration.
- IT is under budget by \$2.7M due to delays in implementing System Separation.
- Business Services is over budget by (\$10.6M) due to planned labor savings realized across all departments, an increase in outside legal counsel expenses coupled with increased fringe costs.
- Power System Management is under budget by \$2.6M due to lower than planned consulting expenses.
- Energy Efficiency is under budget by \$6.6M due to lower rebate costs while exceeding goals.
- Utility 2.0 is under budget by \$5.2M due to (i) lower customer rebates for Level 2 equipment in EV Make Ready and (ii) NYSERDA delays in the Electric Vehicle Prize award program.

(\$ in thousands)

PSEG Long Island Operating Expenses

	Actual ¹	Budget ²	\$ Var.	% Var.
Transmission & Distribution	\$210,982	\$205,659	(\$5,323)	-2.6%
Asset Management & Reliability	7,727	10,178	2,450	24.1%
Construction & Operations Services	37,585	40,268	2,683	6.7%
Customer Services	121,546	122,932	1,386	1.1%
Information Technology & Cybersecurity	97,216	99,900	2,684	2.7%
Business Services	83,152	72,521	(10,631)	-14.7%
Power System Management	20,500	23,092	2,592	11.2%
Energy Efficiency & Renewable Energy	90,556	97,153	6,597	6.8%
Utility 2.0	9,559	14,754	5,195	35.2%
Total PSEG Long Island Operating Expenses	\$678,823	\$686,457	\$7,634	1.1%

Note: Variance - favorable/(unfavorable)

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² LIPA transferred \$8.5M (\$5.0M for T&D, \$2.7M for Customer Service and \$0.8M for IT) to PSEG Long Island Operating Expense that was originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

PSEG Long Island Managed Expenses – December 2024

- Uncollectible expense is under budget by \$11.8M due to budgeted write-off assumption of 0.66% vs. actual of 0.41%.
- Storm Restoration is under budget by \$37.5M. Thirteen storms were incurred, three of which used mutual aid assistance.
- Utility Depreciation is under budget by \$42.4M due to the early retirement in 2023 of Salesforce software plus the timing of depreciation on certain other IT projects which have deferred in-service dates.
- Pension & OPEB expense is over budget by (\$7.0M) due to discount rate updates in the actuarial models.
- PILOTs – Property Tax is under budget by \$4.8M due to lower assessment and tax rates than assumed in the budget.
- Other income & deductions are favorable against budget by \$2.5M due to higher interest earned on the PSEGLI funding accounts resulting from higher than budgeted rates.

(\$ in thousands)

PSEG Long Island Managed Expenses

	Actual¹	Budget	\$ Var.	% Var.
Uncollectible Accounts	\$17,083	\$28,917	\$11,833	40.9%
Storm Restoration	46,003	83,500	37,497	44.9%
NYS Assessment	9,497	11,840	2,343	19.8%
Utility Depreciation	339,939	382,340	42,401	11.1%
Pension & OPEB Expense	36,923	29,961	(6,963)	-23.2%
PILOTs - Revenue-Based Taxes	43,198	44,578	1,380	3.1%
PILOTs - Property-Based Taxes	301,613	306,366	4,754	1.6%
PSEGLI Managed - Misc	3,705	3,407	(298)	-8.8%
Total PSEG Long Island Managed Expenses	\$797,962	\$890,909	\$92,947	10.4%
Other Income & Deductions	\$27,454	\$24,947	\$2,507	10.0%

Note: Variance - favorable/(unfavorable)

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PSEG Long Island Revenue – December 2024

- Revenue, net of PSCs, is (\$42.3M) lower than budget primarily due to DSA Storm Deferral.
- Power Supply Charge is \$54.0M lower than budget driven by lower energy prices.
- Total Sales of electricity are essentially flat to plan with higher Residential Sales being partially offset by lower Commercial Sales.

(\$ in thousands)

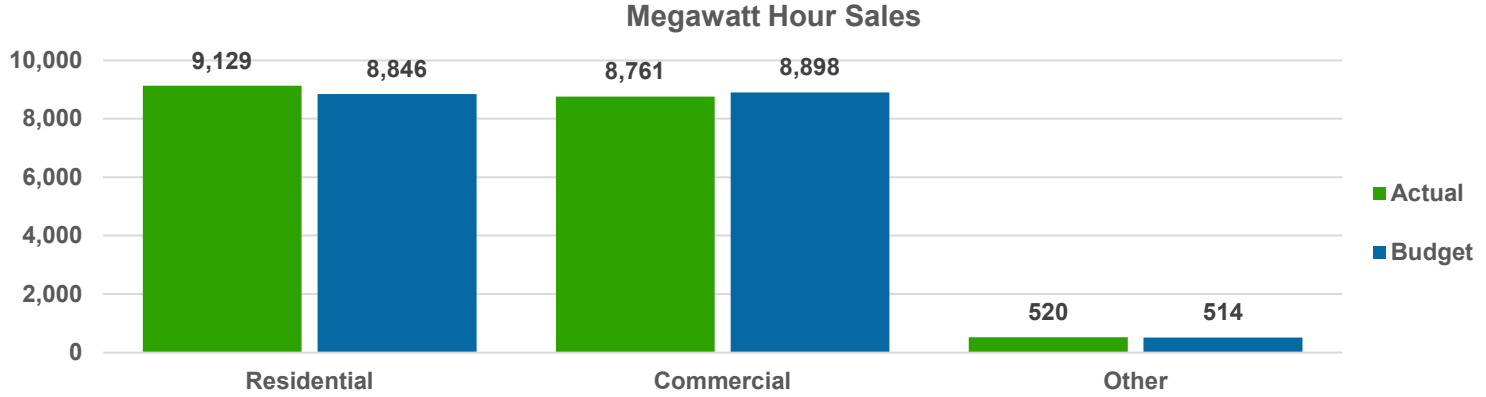
Revenues

Power Supply Charge

Revenue Net of Power Supply Costs

December 2024 Year to Date			
Actual ¹	Budget	\$ Var.	% Var.
\$4,094,492	\$4,190,774	(\$96,282)	-2.3%
\$1,965,123	\$2,019,085	\$53,962	2.7%
\$2,129,369	\$2,171,689	(\$42,320)	-1.9%

Note: Variance - favorable/(unfavorable)
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Capital Expenditures – December 2024

- T&D is under budget by \$6.8M primarily due to:
 - Load Growth is under budget by \$14.2M due to favorable bid pricing and savings.
 - Reliability is over budget (\$6.0M) due to emergent projects.
- IT is over budget by (\$10.4M) due to emergent projects including Corporate Security and Cyber Security Tools for Energy Management System (EMS)) as well as overruns in other planned projects.
- Utility 2.0 is under budget by \$6.7M due to NYSERDA delays for IEDR Platform.
- Unreleased Pending Project Authorization Funds of \$21.0M for projects related to T&D, Facilities and IT.
- LIPA Capital is under budget by \$8.6M due to project deferrals to 2025.

(\$ in thousands)

	Actual ¹	Budget ²	\$ Var.	% Var.
Transmission and Distribution				
Load Growth	170,448	184,691	14,243	7.7%
Reliability	314,005	308,052	(5,953)	-1.9%
Storm Hardening	68,363	66,600	(1,763)	-2.6%
Economic, Salvage, Tools, Equip & Other	49,021	49,288	267	0.5%
Total T&D Projects	\$601,837	\$608,631	\$6,793	1.1%
Other PSEG Long Island Capital Expenditures				
Information Technology Projects	75,105	64,694	(10,411)	-16.1%
Information Technology - Cyber Security	13,393	14,830	1,436	9.7%
Customer Operations	7,954	8,085	131	1.6%
Other General Plant	17,302	18,332	1,030	5.6%
Fleet	7,703	7,752	49	0.6%
Offshore Wind Transmission	16,414	19,358	2,944	15.2%
Utility 2.0	4,059	10,755	6,696	62.3%
Total T&D and Other Projects	743,768	752,436	\$8,668	1.2%
FEMA Storm Hardening	1,706	5,140	3,434	66.8%
Capital Storm	6,661	3,479	(3,182)	-91.5%
Total PSEG Long Island Capital	\$752,135	\$761,055	\$8,920	1.2%
Management Fee	34,480	31,163	(3,317)	-10.6%
Pending Project Authorization Funds	-	21,097	21,097	100.0%
Nine Mile Point 2	29,411	29,926	515	1.7%
LIPA Capital	1,416	10,000	8,584	85.8%
Total Capital Expenditures	\$817,442	\$853,241	\$35,799	4.2%

Note: Variance - favorable/(unfavorable)

¹ Year-end results are unaudited, subject to change

² In 2024, LIPA released \$21.4 million for IT projects, \$9.0 million for Cyber projects and \$31.7 million for Other General Plant, originally designated "Pending Project Authorization" in LIPA-Approved FY Budget.

² The Approved 2024 Capital budget of \$905.4 million has been reduced to reflect (\$78.2) million budget amendment carry over to 2025 offset by \$26.1 million increase for 2024 capital budget amendment for emergent projects.

PSEG Long Island Major Capital Expenditures – Over \$25M (Total Project Cost) – December 2024

Description	Original Total Project Cost (\$M)		Total Project Actuals Through 12/31/24 (\$M)	Current Working Estimate (\$M)	Current Estimated Completion Date
	Cost Estimate	Date of Cost Estimate			
Rockaway Beach - New 33kV Circuit to Arverne Substation	\$37	2020	\$23	\$29	Jun-24*
Belmont: Convert substation from 33 kV to 69 kV	\$131	2021	\$35	\$59	Jun-25
Bridgehampton to Buell: Transmission	\$46	2017	\$21	\$65	Dec-25
System Separation	\$21	2022	\$33	\$75	Dec-25
North Bellport: Eastport 23kV conversion	\$26	2021	\$0	\$52	May-26
Southampton Install new 138kV cable to Deerfield	\$142	2021	\$4	\$79	Dec-26
West Hempstead (3R) Install four 69/13kV 33MVA	\$30	2023	\$0	\$42	Aug-28
Transmission Operations Control Room Facility Replacement	\$84	2018	\$2	\$113	Dec-27
Arverne - New Wavecrest Substation and C&R	\$86	2023	\$0	\$86	Jun-30
Rockville Centre Load Pocket	\$37	2022	\$0	\$36	Jun-28
Elmont (3G) Substation Rebuild and Feeder Conversions	\$54	2023	\$0	\$44	Jun-28
Enterprise Asset Management System	\$48	2022	\$5	\$61	Dec-28
Fire Island Pines New Circuit to Ocean Beach	\$51	2017	\$3	\$47	Apr-29
Newbridge Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	\$37	2023	\$0	\$46	May-30
Syosset Replace UG section of 138-676 circuit to Greenlawn	\$117	2023	\$1	\$103	Dec-29
Transmission Operations Alternate Control Room Facility	\$69	2023	\$0	\$68	Dec-33
Northport Install new 138kV Phase Angle Regulator	\$38	2023	\$1	\$48	May-30
Barrett OSW (Liotta) Interconnect to New Barrett 138/345kV Sub	\$88	2023	\$0	\$88	May-30
Syosset Install PAR on terminal of proposed new 138kV Ckt	\$38	2023	\$0	\$44	Jun-30
Substation Security Expansion Project	\$53	2017	\$31	\$152	Dec-33
Total	\$1,233		\$160	\$1,337	

Note: * Projects are complete and In Service

Questions?

Donna Mongiardo
CFO

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