

PSEG LONG ISLAND'S THREE-YEAR RATE PROPOSAL

This information is provided by the New York State Department of Public Service (DPS or Department) for customers of PSEG Long Island. This fact sheet introduces PSEG Long Island's recently proposed three-year Rate Plan (Plan), describes the DPS review process, and explains how customers may provide input on the Plan.

On January 30, 2015, PSEG Long Island submitted its three-year rate plan for 2016 thru 2018 for review by the DPS in accordance with Public Service Law § 3-b and Public Authorities Law § 1020-f. These statutes provide the framework for PSEG Long Island's rate-setting process and for oversight to be exercised by the DPS. In accordance with these statutes, the DPS will review and make recommendations to the LIPA Board of Trustees with respect to rates and charges to become effective on or after January 1, 2016. The purpose of the review is to make recommendations designed to ensure the provision of safe and adequate electric service, with rates set at the lowest level consistent with sound fiscal operating practices.

PSEG Long Island's Plan proposes an approximate 2 percent increase in aggregate annual electric revenues, which would result from an approximate 4 percent annual increase in the delivery charge portion of the customer bills for each of the next three years. PSEG Long Island's Plan proposes investments in the following areas: maintaining and modernizing the electric system; implementing enhanced technologies to help customers manage their accounts; improving infrastructure to address storm preparedness and response; and improving system reliability by implementing an industry best-practice Vegetation Management Program.

The DPS Review Process:

- The proposed rate increase was filed with DPS on January 30, 2015. The request included prepared testimony and exhibits in support of proposed new rates.
- DPS staff has been assigned to review the filing, conduct discovery and prepare testimony and exhibits in response to the proposal. Other parties may intervene and participate.
- Administrative Law Judges (ALJs), who are independent from all parties in the matter including DPS staff, have been assigned to preside over the matter and conduct public statement hearings and an evidentiary hearing.
- The public statement hearings will provide members of the public with an opportunity to express their positions and concerns regarding the rate proposal. The public comments will be considered in the Department's analysis.
- The evidentiary hearing is conducted like a trial, providing the parties with the opportunity to offer testimony into the record and conduct cross examination of witnesses.
- At the conclusion of the evidentiary hearing, a determination will be made as to the schedule for parties' post-hearing briefs.
- The Department's final recommendation must be provided to the LIPA Board of Trustees by September 27, 2015.
- After the Department provides its recommendations to the LIPA Board of Trustees.
 - The LIPA Board of Trustees will have 30 days within which to disagree with the DPS recommendations.
 - If the LIPA Board of Trustees disagrees, within 30 days after it notifies DPS of its decision to disagree, LIPA must hold a public hearing.
 - After the public hearing period, the LIPA Board of Trustees will have 30 days to announce its final determination and planned implementation with respect to the recommendations.
- The final determination of the LIPA Board of Trustees can be appealed through an applicable judicial proceeding, including review pursuant to Article 78 of the New York State Civil Practice Law and Rules.

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Procedural Hearing and Technical Conference:

A procedural conference, followed by a technical conference, was held before Administrative Law Judges on Tuesday, March 3, 2015. The principal purposes of the procedural conference was to establish a litigated schedule for this matter, identify potential issues for evidentiary hearing, address any procedural questions, including those concerning discovery, identify parties and their respective interests, and discuss the scope of this matter. The Technical Conference was followed with technical experts from PSEG Long Island who provided an overview of the rate proposal and the basis for increased rates. The technical conference included time for the parties to ask questions so that they could become better informed as to the scope and nature of the rate filing. The technical conference was a discovery opportunity, not an evidentiary hearing.

Ways to Comment

If you were unable to attend the public statement hearings held in Suffolk County, Nassau County and Queens, the week of March 2, 2015, there are several other ways to provide your comments to the Department. Comments should refer to "Matter 15-00262."

Via the Internet or Mail: The public may submit comments electronically to the Hon. Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov, or by mail or delivery to Secretary Burgess at the New York State Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350.

Comments may also be entered directly into the matter file from the Department's website, www.dps.ny.gov, by searching "Matter 15-00262." Written comments may be read on the website by searching Matter 15-00262 and clicking on the "Public Comments" tab.

Toll-Free Opinion Line: Individuals may choose to submit comments by calling the Department's Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24 hours a day. These calls are not transcribed but a summary will be reported to the Department. More information about the Plan is available at: www.dps.ny.gov/longisland/. If you have additional questions about the rate-making process, you may contact the Department of Public Service at 1-888-275-7721 or visit our website at www.dps.ny.gov/longisland/

Deadline to Submit Comments

For the timely submission of the Department's recommendation to the Long Island Power Authority Board of Trustees, comments should be submitted by July 1, 2015. All comments will become part of the record considered by the Department.