



October 6, 2014

Mr. John McMahon  
Chief Executive Officer  
Long Island Power Authority  
333 Earle Ovington Blvd  
Uniondale, NY 11553

Hon. Kathleen H. Burgess  
Secretary to the Commission  
New York State Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, NY 12223-1350

Dear Mr. McMahon and Honorable Burgess:

On July 1, PSEG Long Island ("PSEG Long Island") submitted a Utility 2.0 Long Range Plan ("Utility 2.0 Plan" or "Plan") in accordance with Public Authorities Law Section 1020-f(ee) and the Amended and Restated Operations Services Agreement ("OSA") dated December 31, 2013, for approval by the Long Island Power Authority ("the Authority" ) and review by the New York State Department of Public Service ("DPS"). The Public Authorities Law and the OSA require that PSEG Long Island submit the inaugural Utility 2.0 Plan no later than July 1, 2014, and annually thereafter.

This update to the Plan draws on the significant response from stakeholders during an open comment period. On July 24, PSEG Long Island held a technical conference, with the Department of Public Service Long Island office ("DPS-LI"), to present the Plan and receive comments from the public. Subsequently, DPS-LI held a series of public hearings and accepted written comments from the public. PSEG Long Island appreciates the interest and attention on its Utility 2.0 Plan and has revised its offering to respond to the public, including expanding some programs, creating new opportunities, and drawing linkages between Utility 2.0 and related State and Authority policies and initiatives. PSEG Long Island will hold a second technical conference to present the specific updates and receive additional stakeholder feedback as we further refine our proposal. Stakeholder comments on our proposed revisions will be incorporated into a final Revised Plan to be presented to the Authority's Board of Trustees in December.

PSEG Long Island, as the Authority's Service Provider, is committed to building an industry leading electric company dedicated to providing the people of Long Island and the Rockaways with exceptional customer service, best-in-class reliability and storm response, and a strong

level of involvement in the communities in which its customers and employees live and work. Our Utility 2.0 Plan process is one part of a series of annual long-range capital and operating plans contemplated by the Public Authorities Law and the OSA to help facilitate this objective.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Daly', with a long horizontal flourish extending to the right.

David M. Daly  
President & Chief Operating Officer  
PSEG Long Island

C:  
Ms. Bobbi O'Connor  
Acting General Counsel  
Long Island Power Authority

Mr. John Little  
Director of Strategic Planning and Rates  
Long Island Power Authority