

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

MATTER 21-00618 - In the Matter of a Comprehensive and Regular Management and Operations Audit of Long Island Power Authority and PSEG Long Island LLC.

NOTICE ANNOUNCING PUBLIC STATEMENT HEARINGS
AND REQUESTING COMMENTS

(Issued September 7, 2022)

The New York State Department of Public Service (the Department) is seeking comments from the public and will hold virtual public statement hearings on the scope of the Management and Operations Audit of the Long Island Power Authority (LIPA) and PSEG Long Island LLC (PSEG LI). The audit is being undertaken by the Department pursuant to the LIPA Reform Act (Public Authorities Law (PAL) §1020-f(bb) and the Public Service Law §3-b(3)(d)). It involves the review and evaluation of the overall operations and management of LIPA and PSEG LI with the ultimate goal of improving existing processes, practices, systems, and organizational structures to drive better performance consistent with standards and procedures provided in PAL §1020-f(u). The audit will include, but not be limited to:

- (i) the PSEG LI's construction and capital program planning in relation to the needs of customers for reliable service;
- (ii) the overall efficiency of LIPA's and PSEG LI's operations;
- (iii) the manner in which LIPA is meeting its debt service obligations;
- (iv) LIPA's Fuel and Purchased Power Cost Adjustment

clause and recovery of costs associated with such clause;

- (v) LIPA's and PSEG LI's annual budgeting procedures and process;
- (vi) the application, if any, of the performance metrics designated in the Second Amended and Restated Operations Services Agreement and the accuracy of the data relied upon with respect to such application;
- (vii) LIPA's compliance with debt covenants; and
- (viii) ERM and Corporate Governance.

New scope areas included in this audit are:

- (ix) Climate Leadership & Community Protection Act;
- (x) Cyber Security and System Design & Performance;
and
- (xi) the implementation of the recommendations from the Department's previous comprehensive management and operations audit of LIPA in Matter No. 16-01248.

Comments received from the public will further inform the issues to be examined in the upcoming audit as defined by these scope areas. The Department has selected NorthStar Consulting Group, Inc., (NorthStar) to perform the Audit on behalf of the Department. NorthStar will utilize these comments in completing the Audit.

Materials including the Request for Proposals, including the audit scope, consultant proposals, and other information may be viewed on the Department's website,

www.dps.ny.gov, by searching for Matter Number 21-00618 or on the Department's Long Island Office website at <http://www.dps.ny.gov/longisland>.

PLEASE TAKE NOTICE that to allow for full public participation within LIPA's service territory, **two virtual public statement hearings** will be held. Interested members of the public are invited to attend the virtual public statement hearings at which time members of the public may provide their comments concerning the scope of the management and operations audit of LIPA and PSEG LI. The virtual public statement hearings will be held as follows:

DATE: Monday, October 3, 2022

TIME: 1:00 p.m.

Electronic Access: www.webex.com
Event Number: 2334 376 2787
Password: oct3-1pm

Telephone Access: 518-549-0500
Access Code: 2334 376 2787

DATE: Monday, October 3, 2022

TIME: 6:00 p.m.

Electronic Access: www.webex.com
Event Number: 2348 948 9876
Password: oct3-6pm

Telephone Access: 518-549-0500
Access Code: 2348 948 9876

Any person wishing to provide a public statement on the record at the hearings must pre-register to do so by **3:00 p.m. on Friday, September 30, 2022**. The public statement hearings will continue until anyone wishing to speak has been heard or other reasonable arrangements have been made. A verbatim transcript of

the hearings will be made for inclusion in the record of this proceeding and will be posted on the Department's website.

To register electronically: Participants who would like to provide a statement and will log in to a hearing electronically must register to do so by going to www.webex.com and then clicking "Join" at the top right-hand corner of the screen, entering the appropriate event number listed above, and providing all requested information.

When logging in on the appropriate date and time of the hearing, participants will be asked to "select audio system." It is recommended that participants select the "call me" or "call using computer" option. The "call me" option requires participants to enter their phone number.

To register by phone: Any participant who is not able to log in to a hearing electronically may participate by phone. Call-in participants wishing to provide a statement must register to do so in advance by calling **1-800-342-3330**, where they should follow prompts to the appropriate hearing and provide the following information: first and last name, address, and phone number.

On the appropriate date and time of the hearing, all call-in users should dial **518-549-0500** and enter the relevant access code listed above. All participants will be muted upon entry into the hearing.

To listen to the hearings: Any person who would like to listen to the hearings without making a statement may access the hearings without pre-registering. The hearings will be livestreamed on the internet and available for viewing on the Department of Public Service YouTube channel on the date and times listed above. To access that YouTube channel, visit the Department's website, www.dps.ny.gov, and click on the YouTube

icon at the bottom of the homepage. Any person without internet access may listen to the hearings by phone by calling 518-549-0500 and entering the applicable access code.

Persons with disabilities requiring reasonable accommodations should contact the Department of Public Service's Human Resource Management Office at (518) 474-2520 as soon as possible. Users of Telecommunication Devices for the Deaf may request a sign language interpreter by placing a call through the New York Relay Service at 711. Individuals with difficulty understanding or reading the English language are encouraged to call the Commission at 1-800-342-3377 for free language assistance services regarding this notice.

Other Ways to Comment:

For those who cannot attend or prefer not to speak at a public statement hearing, there are several other ways to comment. Comments should refer to Matter "21-00618 LIPA and PSEG LI Management & Operations Audit" and should be submitted by **October 14, 2022**.

Via the Internet or Mail: Go to www.dps.ny.gov, click on "Search," enter "21-00618" in the "Search by Case Number" field, and then click on "Post Comments" located at the top of the page.

Alternatively, comments may be mailed to the Honorable Michelle L. Phillips, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350.¹ All written comments will become part of the record and may be accessed on the Department of Public Service website by searching the matter number, as described above, and clicking on the "Public Comments" tab.

¹ Filing electronically is strongly encouraged.

Toll-Free Opinion Line: Individuals may choose to submit comments by calling the Department's Opinion Line at 1-800-335-2120. This number is set up to receive in-state calls 24-hours a day. These calls are not transcribed verbatim, but a summary is provided to the Department Staff.

(SIGNED)

MICHELLE L. PHILLIPS
Secretary