

This information is provided by the New York State Department of Public Service (DPS) for customers of PSEG Long Island. This fact sheet introduces the PSEG Long Island's recently proposed Utility 2.0 Plan (Plan), describes the DPS review process, and explains how consumers may provide input on the Plan. The Plan is available at: www.dps.ny.gov/longisland/.

In accordance with the 2013 Long Island Power Authority (LIPA) Reform Act and the December 31, 2013 Operations Services Agreement (OSA) between PSEG Long Island and LIPA, PSEG Long Island submitted its first annual Plan on July 1, 2014, to the DPS for review. DPS will make recommendations to PSEG Long Island for improvement of the plan and to the LIPA Board of Trustees (BOT) for its consideration in approval of the Plan. PSEG Long Island has asked the BOT to approve the Plan by December 1, 2014, for budgeting and implementation purposes.

The Plan focuses on implementing energy efficiency measures, distributed generation and advanced grid technology programs with the intent of providing customers with the means to more efficiently and effectively manage their energy usage and utility bills, and to improve system reliability and power quality as set forth in the LRA. Another benefit is the potential for the Plan's Utility 2.0 programs to reduce the need for future transmission expansion projects on Long Island.

PSEG Long Island proposes to invest up to \$200 million of its own money related to the Plan over a four-year period from 2015-2018 and proposes two alternative investment recovery methods. One alternative would provide PSEG Long Island with incentive compensation or require penalty payments based on program cost effectiveness and peak MW savings. The second alternative provides for a rate of return on its investments which could increase or decrease depending upon savings in energy usage and peak demand. PSEG Long Island proposes that the investments be recovered from LIPA's ratepayers over an 8-year period beginning in 2016.

Key Proposals in the Plan

- **Demand Response:** Triples the present enrollment in the load control program to 100 MW and deploys advanced meters to 25,000 large commercial customers representing 20% of LIPAs load.
- **Energy Efficiency:** Proposes energy efficiency programs that would target mostly underserved populations that currently have difficulty utilizing existing programs.
- **Renewable Energy:** Expands various solar and geothermal programs that would target underserved businesses and residents.

Role of the DPS and Public Comment

DPS will take public and shareholder input into account in its review of the Plan. To provide for full public input, the DPS established a process that provides for robust public participation and stakeholder input through public statement hearings, the establishment of a public comment period, and initiation of a collaborative stakeholder process. The schedule will enable the DPS to complete its review and provide its recommendations to the LIPA BOT in November 2014.

Consumer Comments

Interested members of the public are invited to attend information sessions and public statement hearings to be held before DPS-Long Island staff. At the information session, PSEG Long Island staff will describe the Plan and DPS staff

will discuss the review process and respond to questions about the process. Immediately following the information sessions, members of the public may provide their comments for the record.

The information sessions and public statement hearings will be held as follows:

<p>Tuesday, August 19, 2014 William H. Rogers Legislative Building Legislative Auditorium 725 Veterans Memorial Highway Smithtown, New York 11787 1:00pm & 6:30pm—Information Sessions 2:00pm & 7:30pm—Public Statement Hearings</p>	<p>Wednesday, August 20, 2014 Theodore Roosevelt Executive & Legislative Building Legislative Chambers 1550 Franklin Avenue Mineola, NY 11501 1:00pm and 6:30pm—Information Sessions 2:00pm and 7:30pm—Public Statement Hearings</p>	<p>Thursday, August 21, 2014 Knights of Columbus Hall 333 Beach 90th Street Rockaway Beach, NY 11693 6:30pm-Information Session 7:30pm-Public Statement Hearing</p>
<p>Tuesday, August 26, 2014 Riverhead Legislative Auditorium Evans K. Griffin Building 300 Center Drive Riverhead, NY 11901 10:30am-Information Session 11:30am-Public Statement Hearing</p>	<p>Tuesday, August 26, 2014 Village of East Hampton Emergency Services Building One Cedar Street East Hampton, NY 11937 5:00pm-Information Session 6:00pm-Public Statement Hearing</p>	

Other Ways to Comment

➤ **Online Comment Form:**

<http://documents.dps.ny.gov/public/Comments/PublicComments.aspx?MatterCaseNo=14-01299>

- **Internet or Mail:** In addition to the public statement hearings, comments may be sent electronically to the Secretary, at secretary@dps.ny.gov, or mailed and delivered to Hon. Kathleen H. Burgess, Secretary, Department of Public Service, Three Empire State Plaza, Albany, New York 1223-1250. Your comments should refer to “Matter Number 14-01299—PSEG Long Island’s Utility 2.0 Plan.”
- **Toll-free Opinion Line:** Comments may also be submitted through the Department of Public Service’s Opinion Line at 1-800-335-2120. The number is designed to take comments about pending cases from in-state callers, 24 hours a day. Callers should press “2” to leave comments, mentioning PSEG Long Island’s Utility 2.0 Plan.

A full copy of PSEG Long Island’s plan may be viewed, printed or downloaded from the Department’s web site at <http://www.dps.ny.gov/> by searching for Matter Number 14-01299. Click on ‘Search’ on the top left corner of the home page, and enter the case number in the “Search by Case Number” section. Comments are requested no later than August 29, 2014.

If you have additional questions about the Utility 2.0 Plan, you may contact the Department of Public Service at 1-888-275-7721 or visit our website at www.dps.ny.gov/longisland/.