

LONG ISLAND POWER AUTHORITY CHIEF FINANCIAL OFFICER



LIPA, through its service provider PSEG Long Island, delivers electric service to 1.1 million customers in the New York City metropolitan area, with 15,000 miles of transmission and distribution circuits and 5,800 megawatts of generation owned or under contract. LIPA's annual revenues exceed \$3.6 billion and annual capital spending is in excess of \$700 million.

LIPA is a public power utility and has used a public-private partnership business model since acquiring the Long Island Lighting Company, an investor-owned utility, in 1998. LIPA's public-private partnership with PSEG Long Island combines the cost advantages of public power with the experience and economies of scale of a larger investor-owned utility, PSE&G, which has a strong record of customer satisfaction. The 12-year contractual arrangement with PSEG Long Island began on January 1, 2014 and provides:

- Direct accountability of PSEG Long Island to LIPA's customers, with electric service provided on Long Island under the PSEG Long Island brand name, and
- Pay-for-performance, with PSEG Long Island compensated based on meeting operational, service, and customer satisfaction goals, within budgeted spending levels. Budgets must be reasonable for the task, but results, not spending, determines PSEG Long Island's compensation for operating LIPA's electric grid.

Since 2014, PSEG Long Island has been the most improved electric utility in the nation for customer satisfaction, as measured by J.D. Power. Customer satisfaction has increased by 33%, while reliability has improved 38% and customer bills have remained flat.

LIPA is governed by a nine-member Board of Trustees, five of whom are appointed by the Governor, two by the Majority Leader of the New York State Senate, and two by the Speaker of the New York State Assembly. The Chair is appointed by the Governor. LIPA's Board uses a policy setting process to establish the long-term goals for the utility. The Board's policies are available on our website.

LIPA's management functions like a utility holding company, with a senior management team supported by a staff totaling approximately 60. LIPA negotiates annual budgets and metrics with PSEG Long Island, sets electric rates, finances the business, and ensures our contractual relationship with PSEG Long Island provides value to our customers, consistent with the Board's policy goals. PSEG Long Island utilizes LIPA's assets to provide electric service and has approximately 2,400 employees dedicated to work for LIPA.

CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) directs all financial activities at LIPA with responsibility for the accounting, treasury, financing, accounts payable, budgeting, and rate setting functions. The CFO is expected to be a proactive financial and strategic business partner to the Chief Executive Officer and the Board of Trustees and a leader on the senior management team and across the organization. Responsibilities include: short and long-range financial plans; relationships with the Board of Trustees, regulatory agencies and rating agencies; financial policies and controls; oversight of LIPA's Power Supply Hedging Program; analyses of revenues, expenses, cash flow, and

CHIEF FINANCIAL OFFICER (CONTINUED)

capital expenditures; rates and tariffs; and other business activities from a financial perspective, including negotiating and interacting with LIPA's Service Provider.

The CFO's reports include Vice President - Controller, the Vice President of Public Policy and Regulatory Affairs, the Director of Finance & Treasury, the Director of Budgets, and the Director of Accounting. The Finance Department has approximately 16 employees and also works with PSEG Long Island's budget and finance staff of approximately 50 employees.

REQUIRED LEADERSHIP COMPETENCIES

People Skills - the successful CFO must:

- ◇ Lead and Develop Individuals and Teams
- ◇ Build Relationships
- ◇ Communicate Effectively

Motivate and Provide Direction - the successful CFO must:

- ◇ Lead through Vision and Strategy
- ◇ Lead Change and Innovation
- ◇ Foster Continuous Improvement

Manage Projects/Work and Solve Problems - the successful CFO must:

- ◇ Drive for Results
- ◇ Plan, Set Goals and Monitor Execution
- ◇ Solve Problems and Exercise Sound Decision Making

ESSENTIAL JOB FUNCTIONS

- Managing the Finance Department, including:
 - ◇ Maintaining appropriate staff and consulting resources;
 - ◇ Managing staff and consultant performance and productivity;
 - ◇ Establishing department and staff goals that advance LIPA's mission, Board policies, and strategy;
 - ◇ Reviewing and executing the Finance Department's Oversight Plan each year to ensure value from the Service Provider for LIPA's customers;

- ◇ Continuously refining systems and procedures to improve the Department's performance; and
- ◇ Providing on-going performance feedback and developing the talents, skills, and competencies of employees.
- Leading LIPA's conduct of financial operations, including:
 - ◇ Debt issues, investments, and treasury operations;
 - ◇ Financial reporting and investor disclosure, including oversight of PSEG Long Island to ensure accurate reporting;
 - ◇ Budget process for LIPA and PSEG Long Island;
 - ◇ Rate setting and tariff enforcement; and
 - ◇ Serving as the Chief Risk Officer of LIPA and Chair of the Enterprise Risk Management Committee for risk management, power supply hedging, and interest rate exchange agreements.
- Contributing to LIPA's strategic vision, including:
 - ◇ The long-term strategy for electric rates, debt, and affordability, within the context of balancing competing priorities for customer service, reliability, and clean energy; and
 - ◇ Advising the Board on policies related to electric rates, debt and credit markets, investments, and other financial responsibilities.
- Educating the Board of Trustees on utility industry trends; significant financial, accounting or electric rate setting matters; and common industry practices; and preparing useful and understandable reports to the Trustees on relevant Board policies and topics.
- Participating in industry associations to advance LIPA's mission and bring best practices to the Authority.

THE SUCCESSFUL CANDIDATE

The successful candidate must have strong leadership and management skills, particularly in planning, project management and coaching employees, along with a demonstrated ability to partner with the Board of Trustees and the CEO and contribute to LIPA's leadership team. The successful candidate must have the necessary finance and utility-related experience to lead these functions.

Experience either with utilities or similar regulated, heavy asset industries is required. An MBA and/or CPA license is considered ideal.

KEY ATTRIBUTES

Strategic Partner:

The CFO is expected to be a proactive financial and strategic business partner to the Board of Trustees and Chief Executive Officer and a leader on the senior management team.

Relationship Builder and Facilitator:

The CFO is responsible for building strong relationships with LIPA's senior management team, PSEG Long Island, the finance and accounting staff, the Department of Public Service, investors, rating agencies, and auditors. The CFO must approach the high-impact relationship with LIPA's Service Provider, PSEG Long Island, with the ability to envision and enable a long-term partnership between the organizations.

Communicator:

The CFO is required to be an effective communicator and influencer with the ability to present LIPA's strategy and information capably, clearly, and with the appropriate sense of urgency and tone. The CFO promotes an environment that puts the customer first and embraces transparent communication, competently messaging information based on the audience.

Leader and Manager:

The CFO coaches the finance and accounting team and successfully manages professional staff, with the ability to effectively work through multiple and changing priorities and manage/diffuse challenges. The CFO follows through on commitments; inspires the trust of others; and works with integrity.

Financial Professional:

The CFO oversees LIPA's financial activities, including accounting, finance, budgeting, accounts payable, debt issuance, financial reporting, investor relations, rates, risk management, financial planning, and treasury operations. The CFO is also responsible for monitoring and overseeing the financial performance of LIPA's Service Provider, PSEG Long Island, including by encouraging and measuring continuous improvement in operations and processes.

THE ORGANIZATION

LIPA is a corporate municipal organization and a political subdivision of the State of New York. LIPA became the provider of electric service for Nassau and Suffolk Counties of Long Island (with certain limited exceptions) and a small portion of Queens in New York City in 1998. PSEG Long Island is responsible for day-to-day operations of LIPA's power delivery system, which consists of 15,000 circuit miles of overhead and underground lines and 5,800 MW of generation.

Power supply resources consist principally of power purchase contracts. The primary purchase power contract is a 15-year Power Supply Agreement that commenced in 2013 for approximately 3,700 MW of oil and gas-fired generation, which is owned and operated by a subsidiary of National Grid. In addition, LIPA purchases approximately 2,100 MW of capacity from other generating facilities on Long Island and outside the service territory through various transmission interconnections.

THE ORGANIZATION (CONTINUED)

The Department of Public Service (DPS), the staff arm of the New York Public Service Commission (PSC), provides independent oversight and recommendations to LIPA's Board of Trustees for core utility operations of PSEG Long Island and proposed rate changes of LIPA. LIPA's average residential and commercial rates (as of 2018) are one of the lowest in the region at 20.68¢ per KWh and 18.78¢ per KWh respectively.

Fitch, Moody's and Standard & Poor's rate LIPA A, A2, and A respectively. More information can be found at: <http://www.lipower.org/>

THE COMMUNITY

Long Island, New York, is approximately 20 miles wide and 110 miles long, totaling 1,377 square miles of land area. The island is divided into four counties: Nassau, Suffolk, Brooklyn, and Queens, and is one of the most densely-populated regions in the U.S.

Long Island is a significant regional economy that benefits from its proximity to Manhattan, but also generates its own income, employment, and regional output. Long Island's assets include a highly skilled labor force, close proximity to New York City, easy access to beaches, over 20 colleges/universities, and several technology and science developmental centers. Long Island also offers a highly desirable suburban lifestyle that attracts many individuals to live, work and vacation within the area.



Long Island experiences seasonal conditions typical of the Northeast United States. Summers are usually hot with high temperatures in excess of 90° and winters include days with snow and icing conditions.

The median household income in Long Island is substantially above the national average. More information can be found at:

<https://www.discoverlongisland.com/>

COMPENSATION, BENEFITS & RELOCATION

The total compensation and relocation package is competitive. LIPA offers a full complement of benefits including a variety of healthcare options, including retiree health, and participation in the New York State and Local Retirement System (NYSLRS) or the New York State Voluntary Defined Contribution Program (VDC).

TO APPLY

Interested candidates should submit a cover letter and resume to: jgallo@mfpllc.us no later than **June 8, 2020**.

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LIPA is an Equal Employment Opportunity Employer

