

**POWER AUTHORITY OF THE STATE OF NEW YORK
SERVICE TARIFF NO. 50
BUSINESS ECONOMIC DEVELOPMENT POWER SERVICE
(Effective ~~May 1, 1994~~ November 1, 2005)**

APPLICABLE:

To sale of Business Economic Development Power to utility companies in New York State for resale to EDP Customers designated by the Economic Development Power Allocation Board and approved by the Authority under Chapter 32 of the Laws of New York.

CHARACTER OF SERVICE:

Alternating current, sixty hertz, three phase.

MONTHLY RATE:

A. Applicable only to Option 5 EDP Customers through October 31, 2007:

CAPACITY CHARGE: \$8.16 per month per kilowatt of
billing demand.

ENERGY CHARGE: 23.00 mills per kilowatt-hour.

B. Customers who have been approved for an Energy Cost Savings Benefit Award pursuant to Section 183(h) of the Economic Development Law:

B1. For the time period November 1, 2001 to January 31, 2006:

CAPACITY CHARGE: \$8.16 per month per kilowatt of
billing demand.

ENERGY CHARGE: 23.00 mills per kilowatt-hour.

B2. For the time period February 1, 2006 to July 31, 2006 see Table I.
For the time period August 1, 2006 to December 31, 2006 see Table II.

The rates shown in this tariff and these tables are subject to increase at any time if, in the sole discretion of the Trustees, they determine that such action is necessary based on their evaluation of the Authority's financial condition. Upon

such a determination, the tariff charges may be raised effective immediately to a level up to the full cost incurred by the Authority to serve the Customers.

C. Customers Other Than Those Described in Paragraphs A and B, above:

The Authority shall charge and the Customer shall pay, rates based on the market costs of energy, capacity (ICAP/UCAP) including locational capacity costs and any transmission charges not otherwise recovered hereunder, as may be incurred by the Authority to provide direct firm power service to Customer, plus associated overhead and other assigned costs as determined by the Authority.

- D-. With respect to Option 5 customers after October 31, 2007 and all other customers after December 31, 2006, the Authority shall charge, and the Customer shall pay, rates based on the market costs of energy, capacity (ICAP/UCAP) including locational capacity costs and any transmission charges not otherwise recovered hereunder, as may be incurred by the Authority to provide Business Economic Development Power Service to Customers, plus associated overhead and other assigned costs as determined by the Authority.

CONTRACT DEMAND:

The total amount of Business Economic Development Power allocated to Company for resale to EDP Customers during the billing period as measured at the point of delivery from Company to EDP Customer.

MINIMUM MONTHLY DEMAND CHARGE:

The product of the Capacity Charge and 75 percent of the Contract Demand.

BILLING DEMAND:

The Billing Demand shall be the sum of the demands billed to all EDP Customers.

BILLING ENERGY:

The billing energy shall be the sum of the energy billed to all EDP Customers.

SPECIAL PROVISIONS:

- A. ~~Transmission and~~ Distribution losses.
~~The demand and energy charges specified herein apply to amounts of~~

~~power and energy supplied at the Edie Substation of Niagara Mohawk Power Corporation.~~ Appropriate adjustments will be made to reflect transmission and distribution losses to the EDP Customer's points of receipt. Such adjustments shall be determined by the Authority or the Company depending on whose system is being utilized.

B. Power factor.

Not less than 95 percent lagging or leading, as measured or adjusted to the high side of Authority's transformers, provided that Authority shall supply or absorb such additional reactive power as may be desirable, insofar as in its judgment it is able to do so.

~~C.~~ Adjustment of Rates.

~~The rate for power and energy contained in this Service Tariff may be revised by Authority from time to time on not less than 90 days written notice to Company.~~

~~D.~~ C. Resale.

The Company's entitlement to Business Economic Development Power and Energy is contingent upon the Company not marking up or adding a profit component to the actual cost it incurs to purchase such power and energy when the Company resells such power and energy to qualified EDP Customers. The foregoing limitation shall not prohibit the Company from charging rates that it deems appropriate for the recovery of all costs associated with the delivery of Business Economic Development Power and Energy resold by the Company as such rates are approved by the New York State Public Service Commission.

~~E.~~ D. New York Independent System Operator Transmission and Related Charges.

Unless there are other arrangements between the Authority and individual Economic Development Power ("EDP") Customers, the Company shall compensate the Authority for the following Charges for services provided by the New York Independent System Operator, Inc. ("NYISO") or any successor organization pursuant to its Open Access Transmission Tariff ("OATT") or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with deliveries to the EDP Customers:

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
2. Marginal losses;
3. The New York Power Authority Transmission Adjustment Charge

("NTAC");

4. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT; and
5. Any and all other charges, assessments or other amounts associated with deliveries to the EDP Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or other tariffs.

The Authority shall designate to the Company which of the above NYISO Charges shall apply to the EDP Customers on an account-by-account basis and in accordance with all applicable agreements. Such NYISO Charges are in addition to the Authority production charges that are charged to the EDP Customers in accordance with other provisions of this tariff. The collection of such NYISO Charges from the EDP Customers by the Company shall be accomplished in a manner as may be mutually agreed upon by the Company and the Authority, consistent with the Company's applicable retail tariffs.