

July 23, 2013

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

SUBJECT: Annual Review of Hydropower Allocation Job Compliance

SUMMARY

Staff has conducted its annual review of hydropower allocation job compliance covering the reporting period January through December 2012. It is recommended that the Trustees take no action regarding 32 non-compliant allocations held by 24 companies reporting job levels below their commitment threshold, as set forth in Exhibit "B."

BACKGROUND

Each year staff performs a review of all in-service hydropower allocation contracts for compliance with agreed-upon job commitment levels. The contracts contain a customer commitment to retain and add a specific number of jobs within a specified timeframe. For compliance evaluation, customers are required by contract to report the monthly employment numbers for calendar year 2012 by February 28, 2013.

If the reported twelve-month average employment level is below the compliance threshold of 90% of the job commitment (or below 80% of the 2-year average in the case of "vintage" customers, i.e., those having allocations awarded prior to 1988), the Authority may reduce that customer's power allocation proportionately.

DISCUSSION

In 2012, the Authority had 112 hydropower customers holding 203 Replacement Power ("RP"), Expansion Power ("EP"), and Preservation Power ("PP") allocation contracts. Of these, a total of 105 customers held 191 contracts that required the customers to report job levels for 2012. One customer, Fairbanks Farms, went out of business in early 2013 and did not submit its reporting for the year 2012. The remaining contracts and allocation commitments reviewed by staff represent total power allocations of 1,068 MW and total employment commitments of 29,858 jobs. In the aggregate, these customers reported actual employment of 33,749 jobs. This represents 113% of the total job commitment for hydropower customers reporting in 2012.

For the year 2012, 144 of the 190 contracts reviewed were found to be compliant. These compliant contracts are held by 86 companies. Additionally, there were 12 companies with 13 contracts that, although reporting employment below their total commitment, contractually have more time to attain the commitment levels. These companies are included for informational purposes only, and have allocations that are still within the timeframe allowed per contract to create the new jobs committed to when the allocations were awarded. These 13 contracts together with the 144 compliant contracts totaling 157 allocations, comprise 83% of the total allocations reviewed and are listed in Exhibit "A."

For the year 2012, a total of 24 customers with 32 contracts (or 23% of the 104 companies reviewed) reported actual 2012 job levels below the compliance threshold.

Many of the non-compliant customers continue to cite the lingering effects of the past recession and continued lack of growth of the national and global economies. Businesses that did not meet job commitment levels for 2012 cited continued challenges, including the loss of business stemming from decreased sales due to a slack economy, increased costs for raw materials, increased global competition, and difficulty finding qualified employees. For many of these companies, reducing the low-cost power allocation will only increase business challenges and potentially hasten job losses.

Upon review, and similar to last year, staff is recommending that reductions in allocation amounts are not made to those non-compliant allocations in which the companies reported employment at or above 80% of job commitment levels. These eight companies representing nine allocations are within reasonable distance of meeting the compliance threshold with a modest economic turn-around. In addition, we are recommending no reductions for 3 companies representing four allocations having unique circumstances. All these companies are detailed in Section I and listed in Exhibit "B."

As requested by the Trustees at their July 2012 meeting, seven companies were part of a joint NYPA and Empire State Development Corporation ("ESD") review. Working with ESD, staff conducted site visits and analyzed the resulting information to gain insight into the then-current business landscape and prospects for employment gains for these companies. Results were presented at the December 18, 2012 Trustee meeting at which two allocations were permanently reduced and six companies' employment commitments were reset to reflect the current and future employment level prospects of the companies. Staff is recommending no action be taken for six of these companies, having just undergone extra scrutiny and to allow these companies time to live up to their new commitments. These six companies representing nine allocations are also detailed in Section I and listed in Exhibit "B."

In addition, the Trustees approved job commitment reductions to six companies representing eight allocations, effective July 1, 2013 as part of the WNY contract extension initiative undertaken in 2010. These companies are now meeting or exceeding the new job commitment levels and therefore staff requests the Trustee take no action with regard to these non-compliant allocations. They are also detailed in Section I and listed in Exhibit "B."

Section I

Non-Compliant Allocations to Continue With No Change

Ashland Advanced Materials (Buffalo, Erie County)

Allocation: 3,500 kW of RP
Job Commitment: 75 jobs
Jobs Reported: 25 jobs, or 33% of commitment

Background: Ashland Advanced Materials (“Ashland”) is a privately-owned company and one of the primary suppliers of manufactured graphite products and ultra-high temperature heat treating services. The company’s main business is providing products and servicing in renewable and green energy technologies. This is the first year that the company was required to report its job compliance. Ashland states the solar power industry faced issues which hindered its ability to hire any additional employees until recently. The company has since obtained a 2-year contract with a large company and is now in the process of adding additional employees.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Ashton Potter USA Ltd (Williamsville, Erie County)

Allocation: 450 kW of RP
Job Commitment: 48 jobs
Jobs Reported: 38 jobs, or 80% of commitment

Background: Ashton Potter USA Ltd (Ashton Potter) is primarily a print manufacturing company that produces and sells secured documents. The majority of its business is a result of a long-term contract with the United States Postal Service.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Aurubis Buffalo, Inc. (Erie County)

Allocation: 250 kW of RP
Job Commitment: 831 jobs
Jobs Reported: 655 jobs, or 79% of commitment

Background: Aurubis Buffalo Inc., (“Aurubis”), formerly known as Luvata Buffalo, manufactures copper and brass sheets and rolls. For the past year, the company averaged 655 jobs, i.e., 79% of its contractual commitment for this allocation. This is an increase of 21 jobs from the previous years’ average. Aurubis has two other allocations that met its employment commitments in 2012. The company stated that business improved during 2012 and the trend is positive. Although reporting slightly below 80%, this allocation is compliant when considered against the reduced commitment of 575 jobs, which is effective July 1, 2013, as approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Bernzomatic – Worthington Cylinder (Medina, Orleans County)

Allocation: 600 kW of Expansion Power (“EP”)
Job Commitment: 210 jobs
Jobs Reported: 179 jobs, or 85% of commitment

Background: Bernzomatic – Worthington Cylinder (“Bernzomatic”) manufactures handheld torches and components at its Medina plant. The Bernzomatic operations were acquired by Worthington Cylinder Industries in July 2011.

Recommendation: Staff recommends that the Trustees take no action at this time.

Buffalo Newspress Inc. (Buffalo, Erie County)

Allocation: 200 kW of EP
Job Commitment: 138 jobs
Jobs Reported: 123 jobs, or 89% of commitment

Background: Buffalo Newspress Inc. (“Buffalo Newspress”), founded in 1979, prints advertising inserts, brochures and weekly newspapers. The company reported that it has increased sales growth each year since 2010 and has forecasted growth in 2013 to exceed 15%. The company reported an employment level just under the 90% commitment threshold. It is important to note the company was selected for the 2012 joint NYPA/ESD review whereby the Trustees approved a reduction to its job commitment from 149 down to 138.

Recommendation: Staff recommends that the Trustees take no action at this time.

Coyne Textile Services (Buffalo, Erie County)

Allocation: 350 kW of EP – reduced to 250 kW effective April 1, 2013
Job Commitment: 52 jobs
Jobs Reported: 41 jobs, or 79% of commitment

Background: Coyne Textile Services, (“CTS”) is a family-owned business that provides textiles rental products (work uniforms, shop floor mats, etc.) and laundering services. CTS’ low employment levels were a result of low demand. A large number of the company’s accounts have closed business or switched to other suppliers. It is important to note that the company was selected for the 2012 joint NYPA/ESD review whereby the Trustees approved a reduction to its job commitment from 93 to 52 and a reduction to the allocation from 350 kW to 250 kW

Recommendation: Staff recommends that the Trustees take no action at this time.

EPCO Carbondioxide Products (Medina, Orleans County)

Allocation: 1,000 kW of RP
Job Commitment: 20 jobs
Jobs Reported: 8 jobs, or 40% of commitment

Background: EPCO Carbondioxide Products Materials (“EPCO”) was incorporated in 1987. The company manufactures purified liquid carbon dioxide. It sells its product to both wholesalers and end user of carbon dioxide. EPCO continues to feel the impact of reduced demand on the delivery side of its operations in the New York region. Much of the company’s business continues to be from customers who are willing to pick-up directly from the EPCO plant, thereby eliminating the need to hire additional drivers. Recently, the company was acquired by Air Products’ and now anticipates a growth in business as result of the acquisition. EPCO plans to hire four new drivers during the course of this year, and anticipates a total head count of 18 employees by years end.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Ford Motor Company (Buffalo, Erie County)

Allocations: 4,300 kW and 2,900 kW of EP
Job Commitments: 950 jobs
Jobs Reported: 671 jobs, or 71% of commitment

Background: Ford Motor Company (“Ford”) opened its Buffalo Stamping Plant in 1950, where it manufactures doors, floor pans, quarter panels and some inner body components. The components then go to other Ford assembly plants and distributions center throughout the U.S and Canada. In 2012, Ford averaged 671 jobs, or 71% of its contractual commitment. This is a significant decrease from the previous year’s average of 773 jobs. The automotive industry has undergone a dramatic transformation over the past several years. The downturn in the economy forced significant changes in the way Ford does business, which has adversely affected employment levels at the Buffalo plant. The Ford Buffalo Plant continues to compete internally for additional business, with NYPA low-cost power being a critical cost component. This is expected to be a successful differentiator in attracting additional capital investment and business as the automotive industry continues to recover.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Hurtubise Tire, Inc. (North Tonawanda, Niagara County)

Allocation: 180 kW of Replacement Power (“RP”)
Jobs Commitment: 18 jobs
Jobs Reported: 8 jobs, or 44% of commitment

Background: Hurtubise Tire, Inc. (“Hurtubise”) is a family-owned business which provides truck tire re-capping and services. The company has acquired two nationally based accounts that will purchase its retreaded tires, and have hired one additional salesman and deliveryman to help meet the demand for its products. Hurtubise states it is in the process of purchasing a company based in Syracuse with the intentions to reach a broader service area. The company has recently hired three additional employees which brings its current job levels to 11.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

International Imaging Materials, Inc. (Amherst, Erie County)

Allocations: 1,000 kW of EP and 250 kW of RP
Job Commitments: 499 jobs and 393 jobs, respectively
Jobs Reported: 342 jobs, or 69% of its EP commitment and 87% of its RP commitment

Background: International Imaging Materials, Inc. (“International Imaging”) manufactures thermal transfer ribbons. For the past year, International Imaging reported an average of 342 jobs, i.e., 69% and 87% of its contractual commitments, respectively. This is an increase from the previous year’s average of 337 jobs. The company has been able to add additional employees and is optimistic about this year’s growth. The company has two other allocations that are meeting job commitments. Although the EP allocation is below 80% of its job commitment, it is compliant when considered against the reduced July 1, 2013 commitment of 310 jobs that was approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Lockheed Martin, Niagara Falls (Niagara County)

Allocation: 250 kW of RP
Job Commitment: 45 jobs
Jobs Reported: 35 jobs, or 78% of commitment

Background: Lockheed Martin (“Lockheed”) is a manufacturer of gravity gradiometer technology for the U. S. Navy and commercial use. Lockheed states that its employment numbers have remained low due to the state of the economy and restrictions on government defense spending. The company managed to maintain about the same employment levels of jobs as the previous year and anticipates the same job levels throughout 2013.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Moldtech, Inc. (Lancaster, Erie County)

Allocation: 250 kW of EP
Job Commitment: 75 jobs
Jobs Reported: 63 jobs, or 84% of commitment

Background: Moldtech, Inc. (“Moldtech”) is an injection molded rubber manufacturer that produces injection molding machines in the Western New York. This is a decrease from the previous year of 68 jobs. Although the EP allocation is below 80% of its job commitment, it is compliant when considered against the reduced July 1, 2013 commitment of 65 jobs that was approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Niagara Ceramics Corporation (Buffalo, Erie County)

Allocations: 850 kW of RP & 250 kW of EP

Job Commitments: 140 jobs

Jobs Reported: 86 jobs, or 62% of commitment

Background: Niagara Ceramics Corporation (“Niagara Ceramics”), founded in 2003, produces dinnerware. The company continued to struggle in 2012 due to losses from a competitive import market which have resulted in a slowdown in its incoming order volume. The company is looking to hire 15-20 additional employees in the near future, but finding qualified staff is a challenge. It is important to note that the company was selected for the year 2012 ESD review at the December 18, 2012 Trustee meeting. The Trustees approved a reduction to Niagara Ceramics’ job commitment from 190 down to 140. Based on these reductions, staff would like to give Niagara Ceramics additional time to adjust to these changes.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Niagara LaSalle Corporation (Buffalo, Erie County)

Allocation: 700 kW and 700 kW of RP respectively

Job Commitment: 115 jobs

Jobs Reported: 76 jobs, or 66% of commitment

Background: Niagara LaSalle Corporation (“Niagara LaSalle”) manufactures cold finished and thermal treated steel bars. The Buffalo facility was not immune to corporate-wide staffing reductions at its facilities over the last several years. It is important to note that the company was selected for the year 2012 ESD review at the December 18, 2012 Trustee meeting. The Trustees approved a reduction to Buffalo Newspress’ job commitment from 164 to 115. The company is also part of the WNY contract extension initiative in effect as of July 1, 2013.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Nuttall Gear Company, Niagara Falls, Niagara County

Allocation: 350 kW of EP

Jobs Commitment: 108 jobs

Jobs Reported: 96 jobs, or 89% of commitment

Background: Nuttall Gear Company (“Nuttall”) manufactures enclosed gear drives for industrial, commercial, transportation and utility applications. The company was forced to operate with fewer employees in 2012. Nuttall Gear has added one employee to its head count in 2012; however the company is currently looking to hire qualified machinists. It is important to note that the company was selected for the year 2012 ESD review at the December 18, 2012 Trustee meeting. The Trustees approved a job commitment reduction from 135 to 108.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

PEMCO – Precision Electro Minerals Co., Inc. (Niagara Falls, Niagara County)

Allocation: 800 kW of RP
Job Commitment: 22 jobs
Jobs Reported: 19 jobs, or 85% of commitment

Background: PEMCO – Precision Electro Minerals Co., Inc. (“PEMCO”) makes and sells fused silica for use in the foundry and refractory industry. PEMCO awaits a turnaround in market conditions that will enable the company to increase employment levels as business demand increases.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Rosina Food Products, Inc., Cheektowaga (Erie County)

Allocation: 200 kW of EP
Jobs Commitment: 270 jobs
Jobs Reported: 226 jobs, or 84% of commitment

Background: Rosina Food Products Inc., (“Rosina Food”) manufactures food products that are distributed nationally from its production facility in Buffalo. In 2012, this facility operated less than a normal 5-day work. As a result, the company participated in a shared work program with NYS Department of Labor. The company also made operational improvements at this facility and as a result it has slightly reduced the need for manpower. Rosina has two other allocations that are reporting well above commitment levels. The Trustees previously approved a reduction to its job commitment to 235 jobs, commencing July 2013, as part of the WNY contract extension initiative. Although the company reported jobs below its commitment level, this allocation is compliant when considered against the WNY job reduction in effect as of July 1, 2013.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

RubberForm Recycled Products, LLC (Lockport, Niagara County)

Allocation: 500 kW of EP – *reduced to 100 kW*
Job Commitment: 18 jobs
Jobs Reported: 16 jobs, or 89% of commitment

Background: RubberForm Recycled Products, LLC (“RubberForm”) manufactures products made from 100% New York recycled crumb rubber, such as traffic sign bases, parking lot wheel stops, speed bumps, dock bumpers, and various other products. It is important to note that the company was selected for the year 2012 ESD review at the December 18, 2012 Trustee meeting. The Trustees approved a job commitment reduction from 30 to 18 and an allocation reduction from 500kW to 100kW.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Saint-Gobain Structural Ceramics (Niagara Falls, Niagara County)

Allocations: 300kW, 100kW and 1400kW of RP
Job Commitments: 165, 186 and 169 job commitments respectively
Jobs Reported: 138 jobs, or 84%, 74% and 82 % of commitments respectively

Background: Saint-Gobain Structural Ceramics produces a multitude of building products. The company’s armor business is one of its main business sectors, and it expects to obtain government contracts in the near future. In addition, the company has received quotes from numerous armor markets and expect to boost business. Saint-Gobain has other allocations that are reporting well above commitment levels.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

TAM Ceramics Group of New York, LLC (Niagara Falls, Niagara County)

Allocations: 7,000 kW of RP & 500 kW of EP
Job Commitments: 100 jobs
Jobs Reported: 69 jobs, or 69% of commitment

Background: TAM Ceramics Group of New York, LLC (“TAM”) is a supplier of dielectric powder to the passive electronic component industry and zirconia-based ceramic powders to industry. These two allocations are “vintage” contracts with an 80% job ratio based on a two-year average. The company has expanded into further research and development and recently acquired grants from NYSERDA. It is important to note that the company was selected for the year 2012 ESD review at the December 18, 2012 Trustee meeting. The Trustees took no action on TAM’s job commitment or allocations.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

The Carriage House Companies - Dunkirk Facility (Dunkirk, Chautauqua County)

Allocation: 500 kW of EP
Job Commitment: 199 jobs
Jobs Reported: 151 jobs, or 76% of commitment

Background: The Carriage House Companies (“Carriage House/ Lakeside”) is a storage facility for both raw materials and finished products associated with syrups. The company operates a sister facility in nearby Fredonia, which also has a hydropower allocation. Taken together, the company’s commitment is 639 jobs and actual jobs reported for both were 592 jobs for 2012, representing a combined average of 93%.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Tulip Corporation (Niagara Falls, Niagara County)

Allocations: 300 kW of EP and 1,200 kW of RP
Job Commitments: 110 jobs and 122 jobs respectively
Jobs Reported: 85 jobs or 77% of its EP commitment and 70% if its RP commitment

Background: Tulip Corporation (“Tulip”) is an injection-molding company that recycles rubber and plastic and manufactures battery cases for the major battery manufacturers. The RP allocation is a “vintage” contract with an 80% ratio threshold. Tulip stated that the company is continuing its aggressive pursuit of growth in the battery vent and industrial jar areas. The company’s access to low-cost hydropower is a key factor in achieving employment growth and its future success in New York State. Although reporting below its commitment level, Tulip’s allocations are compliant when considered against the reduced July 2013 commitment of 70 jobs that was approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Washington Mills Electro Minerals Corp. (Niagara Falls, Niagara County)

Allocation: 9,700 kW of RP
Job Commitment: 171 jobs
Jobs Reported: 106 jobs, or 62% of commitment

Background: Washington Mills Electro Minerals Corp. (“Washington Mills Electro”) manufactures abrasive grains for sandpaper and grinding wheels. Washington Mills Electro has reported that the company has expended a significant amount of capital in streamlining and improving its production capabilities. Although reporting below its compliant levels, the allocation is compliant when considered against the reduced July 1, 2013 commitment of 107 jobs that was approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

Washington Mills Tonawanda (Tonawanda, Erie County)

Allocation: 300 kW of RP
Job Commitment: 70 jobs
Jobs Reported: 38 jobs, or 55% of commitment

Background: Washington Mills Tonawanda (“Washington Mills Tonawanda”) has been in existence since 1914. Washington Mills Tonawanda has not recovered since the downturn in economic conditions in 2009. The company has seen some growth in certain market segments and plans to add employees as its needs increase. Although reporting below the company’s compliance levels, the allocation is compliant when considered against the reduced July 1, 2013 commitment of 38 jobs that was approved by the Trustees as part of the WNY contract extension initiative.

Recommendation: *Staff recommends that the Trustees take no action at this time.*

RECOMMENDATION

The Vice President, Marketing and Economic Development recommends that the Trustees take no action on 24 customers holding 32 allocations, as described in Section I above, and as set forth in Exhibit "B," attached hereto.

For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones
President and Chief Executive Officer

Att.
Annual Review of
Hydropower Allocations

RESOLUTION

RESOLVED, That the Trustees hereby take no action with respect to companies and power allocations as set forth in Exhibit "B," and as described in the attached memorandum of the President and Chief Executive Officer, and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Compliant Allocations – To Continue With No Change

Company	Location	County	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012
3M	Tonawanda	Erie	EP	500	330	317	96%
3M	Tonawanda	Erie	EP	1,000	290	317	109%
ADM Milling Co.	Buffalo	Erie	EP - vintage	1,500	84	83	99%
ADM Milling Co.	Buffalo	Erie	RP	1,900	70	83	119%
Alcoa (West)	Massena	St. Lawrence	PP	239,000	1,065	1,089	102%
Allied Frozen Storage, Inc. - Seneca	West Seneca	Erie	RP	600	54	58	107%
API Heat Transfer, Inc. ⁽¹⁾	Buffalo	Erie	RP	300	340	286	84%
APP Pharmaceuticals, LLC	Grand Island	Erie	RP	1,000	481	694	144%
APP Pharmaceuticals, LLC	Grand Island	Erie	RP	1,000	506	694	137%
Ascension Industries	North Tonawanda	Niagara	RP	150	135	149	110%
ATI Allvac	Lockport	Niagara	EP	200	46	74	161%
Aurubis Buffalo, Inc.	Buffalo	Erie	RP	250	16	655	4094%
Aurubis Buffalo, Inc.	Buffalo	Erie	RP	3,000	634	655	103%
Aurubis Buffalo, Inc.	Buffalo	Erie	RP - vintage	8,060	483	655	136%
Avery Dennison Information Systems	Buffalo	Erie	RP	250	82	117	143%
Brunner, Inc.	Medina	Orleans	EP	1,500	160	375	234%
Brunner, Inc.	Medina	Orleans	EP	300	160	375	234%
Brunner, Inc.	Medina	Orleans	RP	1,200	160	375	234%
Brunner, Inc.	Medina	Orleans	RP	2,500	160	375	23%
Buffalo Tungsten Incorporated	Depew	Erie	RP	800	62	74	119%
Buffalo Tungsten Incorporated	Depew	Erie	RP	1,250	40	74	185%
C&S Wholesale Grocers - Cheektowaga	Cheektowaga	Erie	EP	300	50	61	122%
C&S Wholesale Grocers - Lancaster	Lancaster	Erie	EP	550	682	625	92%
Carleton Technologies Inc.	Orchard Park	Erie	EP	700	140	294	210%
Ceres Crystal Industries Inc.	Niagara Falls	Niagara	RP	1,300	47	70	149%
Ceres Crystal Industries Inc.	Niagara Falls	Niagara	RP	1,600	47	70	149%
Ceres Crystal Industries Inc.	Niagara Falls	Niagara	RP	1,700	47	70	149%
CertainTeed Corporation	Buffalo	Erie	EP	3,100	157	142	90%
Citigroup Technology, Inc. - Amherst	Amherst	Erie	RP	1,100	500	960	192%
Cliffstar LLC	Dunkirk	Chautauqua	EP	500	455	580	127%
Confer Plastics Inc.	North Tonawanda	Niagara	RP	300	91	147	162%
Curtis Screw Co., Inc.	Buffalo	Erie	RP	300	150	179	119%
Curtis Screw Co., Inc.	Buffalo	Erie	RP	350	150	179	119%
Curtis Screw Co., Inc.	Buffalo	Erie	RP	1,100	150	179	119%
DKP Buffalo, LLC	Tonawanda	Erie	EP	750	57	95	167%
DLWB, LLC	Tonawanda	Erie	RP	250	14	15	107%
Dunkirk Specialty Steel, LLC	Dunkirk	Chautauqua	EP	5,800	180	268	149%
E.I. du Pont de Nemours & Co., Inc. - Buffalo	Buffalo	Erie	EP - vintage	1,800	390	600	154%
E.I. du Pont de Nemours & Co., Inc. - Buffalo	Buffalo	Erie	RP	500	264	600	227%
E.I. du Pont de Nemours & Co., Inc. - Buffalo	Buffalo	Erie	RP - vintage	1,300	285	600	211%
E.I. du Pont de Nemours & Co., Inc. - Buffalo	Buffalo	Erie	RP	675	605	600	99%
E.I. du Pont de Nemours & Co., Inc. - Niagara Falls	Niagara Falls	Niagara	RP	3,000	260	242	93%

Company	Location	County	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012
E.I. du Pont de Nemours & Co., Inc. - Niagara Falls	Niagara Falls	Niagara	RP - vintage	31,700	177	242	137%
E.I. du Pont de Nemours & Co., Inc. - Niagara Falls	Niagara Falls	Niagara	EP - vintage	790	230	242	105%
Fieldbrook Foods Corporation	Dunkirk	Chautauqua	EP	1,000	420	521	124%
Fieldbrook Foods Corporation	Dunkirk	Chautauqua	EP	2,000	420	521	124%
Flexo Transparent, Inc.	Buffalo	Erie	RP	380	100	115	115%
FMC Corporation	Tonawanda	Erie	RP	2,500	161	183	114%
FMC Corporation	Tonawanda	Erie	RP	750	106	183	173%
FMC Corporation	Tonawanda	Erie	RP	5,500	71	183	258%
Ford Motor Company ⁽¹⁾	Buffalo	Erie	EP	1,500	950	671	71%
Galvstar LLC ⁽¹⁾	Lackawanna	Erie	RP	2,000	50	27	54%
GEICO	Getzville	Erie	EP	1,600	736	2,221	302%
General Mills	Buffalo	Erie	EP - vintage	1,000	520	460	88%
General Mills	Buffalo	Erie	RP - vintage	1,000	563	460	82%
General Mills	Buffalo	Erie	RP - vintage	3,100	432	460	106%
General Motors LLC	Buffalo	Erie	EP	13,800	500	1,287	257%
General Motors LLC	Buffalo	Erie	EP	800	500	1,287	257%
General Motors LLC	Buffalo	Erie	EP	5,000	500	1,287	257%
General Motors LLC	Buffalo	Erie	EP	1,100	500	1,287	257%
General Motors LLC	Buffalo	Erie	RP	725	500	1,287	257%
General Motors LLC	Buffalo	Erie	RP	2,000	500	1,287	257%
Global Abrasive Products, Inc.	Lockport	Niagara	EP	150	45	47	104%
Globe Metallurgical, Inc. ⁽¹⁾	Niagara Falls	Niagara	EP	7,353	500	111	22%
Globe Metallurgical, Inc. ⁽¹⁾	Niagara Falls	Niagara	RP	32,647	500	111	22%
GM Components Holdings LLC	Lockport	Niagara	EP	10,000	950	1,829	193%
GM Components Holdings LLC	Lockport	Niagara	EP - vintage	14,300	950	1,829	193%
Goodyear Dunlop Tires North America, Ltd.	Tonawanda	Erie	EP	6,000	1,412	1,329	94%
Goodyear Dunlop Tires North America, Ltd.	Tonawanda	Erie	RP	800	1,449	1,329	92%
Goodyear Dunlop Tires North America, Ltd.	Tonawanda	Erie	RP	850	1,422	1,329	93%
Goodyear Dunlop Tires North America, Ltd.	Tonawanda	Erie	RP - vintage	4,191	589	1,329	226%
Goodyear Dunlop Tires North America, Ltd.	Tonawanda	Erie	RP - vintage	250	1,422	1,329	93%
Graphic Controls Acquisition Corp.	Buffalo	Erie	RP	250	265	276	104%
Graphic Controls Acquisition Corp. ⁽¹⁾	Buffalo	Erie	RP	120	271	276	102%
Habasit America, Inc.	Buffalo	Erie	RP	200	80	73	91%
Hammond Manufacturing Company Inc.	Cheektowaga	Erie	RP	100	24	35	146%
Honeywell International	Buffalo	Erie	RP	300	168	167	99%
Hydro-Air Components, Inc.	Buffalo	Erie	EP	250	55	137	249%
I Squared R Element Co., Inc.	Akron	Erie	RP	500	60	78	130%
Ingram Micro, Inc.	Williamsville	Erie	EP	900	1,525	1,482	97%
International Imaging Materials	Amherst	Erie	EP	1,250	336	342	102%
International Imaging Materials ⁽¹⁾	Amherst	Erie	RP	700	336	342	102%
Life Technologies Corporation	Grand Island	Niagara	RP	400	398	565	142%
Life Technologies Corporation	Grand Island	Niagara	RP	375	488	565	116%
Linde LLC - Buffalo Facility	Buffalo	Erie	EP	10,500	40	37	93%

Company	Location	County	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012
Mayer Brothers Apple Products	West Seneca	Erie	EP	200	113	143	127%
Metaullics Systems (2040 Cory Rd)	Sanborn	Niagara	RP	1,000	29	49	169%
Metaullics Systems (2050 Cory Rd) ⁽¹⁾	Sanborn	Niagara	EP	4,000	54	39	72%
Metaullics Systems (2050 Cory Rd)	Sanborn	Niagara	RP	500	8	39	488%
Moog Inc. ⁽¹⁾	East Aurora	Erie	RP	1,200	2,446	2,535	104%
Moog Inc.	East Aurora	Erie	EP	750	371	2,535	683%
Moog Inc.	East Aurora	Erie	EP	3,000	1,229	2,535	206%
Moog Inc.	East Aurora	Erie	EP	500	1,987	2,535	128%
Nestle Purina PetCare Company	Dunkirk	Chautauqua	EP	500	284	328	115%
Nestle Purina PetCare Company	Dunkirk	Chautauqua	EP	900	261	328	126%
Nestle Purina PetCare Company	Dunkirk	Chautauqua	EP	2,000	261	328	126%
Niacet Corporation ⁽¹⁾	Niagara Falls	Niagara	RP	500	92	96	104%
Niacet Corporation	Niagara Falls	Niagara	EP	500	82	96	117%
Niacet Corporation	Niagara Falls	Niagara	RP	1,000	54	96	178%
Niacet Corporation	Niagara Falls	Niagara	RP	400	66	96	145%
Niagara Coatings Services, Inc. ⁽¹⁾	Niagara Falls	Niagara	RP	200	17	19	112%
Niagara Sheets, LLC	Wheatfield	Niagara	RP	850	64	72	113%
Norampac Industries Inc. - Niagara Falls	Niagara Falls	Niagara	EP	1,600	126	127	101%
North American Hoganas	Niagara Falls	Niagara	EP	4,000	57	60	105%
North American Hoganas	Niagara Falls	Niagara	RP	1,000	53	60	113%
Occidental Chemical Corporation	Niagara Falls	Niagara	EP	38,700	214	203	95%
Occidental Chemical Corporation	Niagara Falls	Niagara	RP	56,000	206	206	100%
Olin Corporation	Niagara Falls	Niagara	RP	2,290	41	229	559%
Olin Corporation	Niagara Falls	Niagara	RP	15,000	135	229	170%
Olin Corporation	Niagara Falls	Niagara	RP	21,300	160	229	143%
Olin Corporation	Niagara Falls	Niagara	RP	40,860	160	229	143%
PCB Piezotronics, Inc. - 3395 Walden	Depew	Erie	RP	250	41	177	432%
Praxair, Inc. - Niagara Falls	Niagara Falls	Niagara	EP	2,000	68	89	131%
Praxair, Inc. - Niagara Falls	Niagara Falls	Niagara	RP - vintage	9,000	70	89	127%
Praxair, Inc. - Niagara Falls	Niagara Falls	Niagara	RP - vintage	37,050	70	89	127%
Praxair, Inc. - Tonawanda	Tonawanda	Erie	EP - vintage	2,000	900	1,362	151%
Praxair, Inc. - Tonawanda	Tonawanda	Erie	RP	750	1,352	1,362	101%
Praxair, Inc. - Tonawanda	Tonawanda	Erie	RP	2,000	1,000	1,362	136%
Precious Plate, Inc.	Niagara Falls	Niagara	RP	800	145	160	110%
Precious Plate, Inc.	Niagara Falls	Niagara	RP	400	164	160	98%
Protective Industries, Inc.	Buffalo	Erie	EP	250	310	321	104%
Republic Engineered Products, Inc.	Blasdell	Erie	EP	7,400	276	261	95%
Republic Engineered Products, Inc.	Blasdell	Erie	RP	2,000	276	261	95%
Reynolds Metals Company	Massena	St. Lawrence	PP	239,000	1,065	1,089	102%
RHI Monofrax, LTD	Falconer	Chautauqua	EP	2,082	250	237	95%
Rosina Food Products, Inc. - (Cheektowaga)	Buffalo	Erie	EP	400	134	226	169%
Rosina Food Products, Inc. - (W. Seneca)	West Seneca	Erie	EP	200	171	229	134%
Saint-Gobain Advanced Ceramics Boron Nitride	Amherst	Erie	RP	570	63	57	90%
Saint-Gobain Advanced Ceramics Boron Nitride	Amherst	Erie	RP	2,500	55	57	104%

Company	Location	County	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012
Saint-Gobain Ceramics & Plastics, Inc.	Niagara Falls	Niagara	RP	1,100	69	66	96%
Saint-Gobain Ceramics & Plastics, Inc.	Niagara Falls	Niagara	RP	2,100	51	66	129%
Saint-Gobain Ceramics & Plastics, Inc.	Niagara Falls	Niagara	RP - vintage	100	51	66	129%
Saint-Gobain Structural Ceramics	Niagara Falls	Niagara	RP	3,450	112	138	123%
Servotronics, Inc.	Elma	Erie	EP	500	145	179	123%
Sorrento Lactalis, Inc.	Buffalo	Erie	RP	1,500	500	549	110%
Sorrento Lactalis, Inc.	Buffalo	Erie	RP	250	402	549	137%
Sotek Inc./Belrix Industries, Inc.	Buffalo	Erie	RP	100	53	76	143%
Special Metals Corporation	Dunkirk	Chautauqua	EP	1,000	81	74	91%
Steuben Foods Incorporated	Elma	Erie	EP	3,000	414	551	133%
Steuben Foods Incorporated	Elma	Erie	EP	5,000	500	551	110%
Steuben Foods Incorporated	Elma	Erie	EP	750	374	551	147%
Stollberg, Inc.	Niagara Falls	Niagara	EP	300	30	76	253%
The Carriage House Companies - (Fredonia)	Fredonia	Chautauqua	EP	750	440	440	100%
Time Release Sciences, Inc.	Buffalo	Erie	RP	250	70	110	157%
Time Release Sciences, Inc.	Buffalo	Erie	RP	200	70	110	157%
TitanX Engine Cooling, Inc.	Jamestown	Chautauqua	EP	1,000	310	400	129%
Treibacher Schleifmittel North America, Inc.	Niagara Falls	Niagara	RP	750	35	33	94%
Unifrax Corporation - Sanborn	Niagara Falls	Erie	RP - vintage	1,000	81	10	12%
Unifrax Corporation - Tonawanda ⁽¹⁾	Tonawanda	Erie	RP	3,500	238	231	97%
Unifrax Corporation - Tonawanda	Tonawanda	Erie	RP	1,000	147	231	157%
Unifrax Corporation - Tonawanda	Tonawanda	Erie	RP - vintage	2,600	55	231	420%
Upstate Niagara Cooperative - West Seneca	West Seneca	Erie	EP	1,000	134	174	130%
Western New York Energy, LLC	Medina	Orleans	RP	5,000	50	50	100%
Yahoo! Inc. ⁽¹⁾	Lockport	Niagara	EP	15,000	125	98	78%
Zemco Industries	Buffalo	Erie	EP	500	502	550	110%
Zemco Industries	Buffalo	Erie	EP	750	275	550	200%
Zemco Industries	Buffalo	Erie	EP	1,000	170	550	324%

EP = Expansion Power **RP** = Replacement Power **PP** = Preservation Power

⁽¹⁾ These 12 customers with 13 allocations have more time to ramp up to their full commitment levels.

Non-Compliant Allocations – To Continue with No Change

Company	Location	County	Date of Trustee Approval	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012	WNY Ext. Job Commitment effective 7/1/13	2012 Reported Average Jobs % Based on WNY Ext. Job Commitment
Aurubis Buffalo, Inc. ⁽¹⁾	Buffalo	Erie	Apr-94	RP	250	831	655	79%	575	114%
Ashton Potter (USA) LTD	Cheektowaga	Erie	Oct-07	RP	450	48	38	80%		
Ashland Advanced Materials LLC	Niagara Falls	Niagara	May-08	EP	3,500	75	25	33%	2,500	
Bernzomatic – Worthington Cylinder	Medina	Orleans	Nov-06	EP	600	210	179	85%		
Buffalo Newspress Inc. ⁽²⁾	Buffalo	Erie	Jan-94	EP	200	138	123	89%		
Coyne Textile Services (Buffalo) ⁽²⁾	Buffalo	Erie	Mar-95	EP	350	52	41	79%		
EPCO Carbon dioxide Products, Inc.	Medina	Orleans	Dec-06	RP	1,000	20	8	40%		
Ford Motor Company	Buffalo	Erie	Feb-03	EP	2,900	950	671	71%		
Ford Motor Company	Buffalo	Erie	Dec-94	EP	4,300	950	671	71%		
Hurtubise Tire, Inc.	North Tonawanda	Erie	Oct-07	RP	180	18	8	44%		
International Imaging Materials ⁽¹⁾	Amherst	Erie	Jan-89	RP	250	393	342	87%	310	110%
International Imaging Materials ⁽¹⁾	Amherst	Erie	Mar-85	EP	1,000	499	342	69%	310	110%
Lockheed Martin Corporation	Niagara Falls	Niagara	Feb-93	RP	250	45	35	78%		
Moldtech, Inc. ⁽¹⁾	Lancaster	Erie	Apr-07	EP	250	75	63	84%		
Niagara Ceramics Corporation ⁽²⁾	Buffalo	Erie	Mar-04	EP	250	140	86	61%		
Niagara Ceramics Corporation ⁽²⁾	Buffalo	Erie	Jan-94	RP	850	140	86	61%		
Niagara LaSalle Corp ⁽²⁾	Buffalo	Erie	Jan-04	RP	700	115	76	66%		
Niagara LaSalle Corp ⁽²⁾	Buffalo	Erie	Jan-04	RP	700	115	76	66%		
Nuttall Gear Company ⁽²⁾	Niagara Falls	Niagara	Feb-93	EP	350	108	96	89%		
Precision Electro Minerals Company	Niagara Falls	Niagara	Aug-89	RP	800	22	19	86%		

July 23, 2013
Exhibit "B"

Company	Location	County	Date of Trustee Approval	Type of Power	Allocation kW	Year 2012 Employment Commitment	Average Jobs Reported for Year 2012	Average Annual % Achieved during Year 2012	WNY Ext. Job Commitment effective 7/1/13	2012 Reported Average Jobs % Based on WNY Ext. Job Commitment
Rosina Food Products, Inc. - (Cheektowaga) ⁽¹⁾	Cheektowaga	Erie	Apr-06	EP	200	270	226	84%	235	96%
Rubber Form Recycled Products, LLC ⁽²⁾	Lockport	Niagara	Apr-06	EP	100	18	16	89%		
Saint-Gobain Structural Ceramics	Niagara Falls	Niagara	May-08	RP	300	165	138	84%		
Saint-Gobain Structural Ceramics	Niagara Falls	Niagara	May-07	RP	1,000	186	138	74%		
Saint-Gobain Structural Ceramics	Niagara Falls	Niagara	Jan-07	RP	1,400	169	138	82%		
Tulip Corporation ⁽¹⁾	Niagara Falls	Niagara	Oct-90	EP	300	110	85	77%	70	121%
Tulip Corporation ⁽¹⁾	Niagara Falls	Niagara	May-61	RP - vintage	1,200	122	85	70%	70	121%
TAM Ceramics Group of NY, LLC ⁽³⁾	Niagara Falls	Niagara	Dec-88	EP - vintage	500	100	69	69%		
TAM Ceramics Group of NY, LLC ⁽³⁾	Niagara Falls	Niagara	Oct-89	RP - vintage	7,000	100	69	69%		
The Carriage House Companies - (Dunkirk)	Dunkirk	Chautauqua	May-99	EP	500	199	151	76%		
Washington Mills Electro Minerals Corp ⁽¹⁾	Niagara Falls	Niagara	Dec-86	RP	9,700	171	106	62%	107	99%
Washington Mills Tonawanda, Inc. ⁽¹⁾	Tonawanda	Erie	Oct-06	RP	300	70	38	54%	38	99%

EP = Expansion Power

RP = Replacement Power

PP = Preservation Power

⁽¹⁾ These customers are compliant when considered against their reduced July 1, 2013 commitments that were approved by the Trustees as part of the WNY contract extension initiative in 2010.

⁽²⁾ These customers were part of the ESD and NYPA outreach review conducted in September 2012, with findings presented at the December 18, 2012 Trustee Meeting. They were approved to report based on their WNY employment commitments as listed above.

⁽³⁾ These customers were part of the ESD and NYPA outreach review conducted in September 2012, with findings presented at the December 2012 Trustee Meeting, and were **not** part of the WNY employment commitments as listed above.