

**Table of  
Expenditure Authorization Limits for Non-Hedge  
Physical Fuel-Related Operational Transactions <sup>1,2,3</sup>**

TITLE <sup>4</sup>	TRANSACTION VALUE (\$MM) <sup>5,6</sup>			TRANSACTION PERIOD <sup>8,9</sup> (Months)
	NATURAL GAS	FUEL OIL	NATURAL GAS TRANSPORTATION <sup>7</sup>	
President and Chief Executive Officer	\$30	\$30	\$30	48
Chief Operating Officer	\$30	\$30	\$30	48
Executive Vice President and Chief Financial Officer	\$30	\$30	\$30	48
Senior Vice President Energy Resource Management	\$20	\$20	\$20	36
Others: Trading authorization limits may be delegated to subordinate level managers and staff by respective department executives at their discretion within the limits established herein. <sup>10</sup>				



**Footnotes to Table:**

<sup>1</sup> All limits apply only to transactions with external counterparties and each limit operates independently of every other limit. Transactions in excess of \$30 million and/or 48 months shall require approval of the Authority's Board of Trustees, except in cases where the President and Chief Executive Officer is of the view, based on the recommendation of the Senior Vice President – Energy Resource Management and/or other Authority officers, that a proposed transaction exceeding the limits must be entered into on an expedited basis to protect the Authority from adverse financial or operational consequences.

<sup>2</sup> These limits apply to physical, short term ("spot") and longer term forward ("term") transactions (purchases, sales and transportation) as required for the operation of the Authority's fossil-fueled generating facilities. In contrast, financial and physical hedge related transactions are utilized exclusively for risk management purposes. For clarity, the physical procurement of volumes beyond the spot horizon can include securing indexed, market-based pricing, but precludes fixing the prices for such volumes for risk management (hedging) purposes.

<sup>3</sup> A "spot" transaction is defined as having a period, duration or term less than or equal to 40 days in contrast to a "term" transaction which is defined as having a period, duration or term greater than 40 days up to 48 months.

<sup>4</sup> Titles are representative of personnel under current Authority organizational structure. Where future organizational changes revise specific position titles, the designated transaction authorization levels are applicable to the individuals within those new titles subject to the President and Chief Executive Officer's concurrence.

<sup>5</sup> The value of a specific transaction is calculated as the volume of the commodity times the contracted per-volume price. Multiple transactions entered into with the same counterparty ("vendor") in a single day for the same delivery date or transaction period are considered a single transaction for purposes of these limits which are "per transaction per day" which is equivalent to "per vendor per day".

<sup>6</sup> The cumulative volume represented by physical agreements (transactions) for an Authority generating facility or group of facilities for a particular period cannot exceed the maximum volume of fuel that could be used at the facility or facilities during that period.

<sup>7</sup> Gas transportation is necessary for effectuating delivery of natural gas purchases via interstate and/or intrastate pipelines to the Authority's generating facilities. Natural gas transportation may also include "balancing services" which are accounts established to handle the differences in the amount of gas scheduled for pipeline delivery versus the amount of gas actually consumed by the Authority at its generating facilities ("imbalances").

<sup>8</sup>Transaction period (or term) is measured as the period from the date a transaction is entered into through the last day of the delivery or transaction period.

<sup>9</sup>Interruptible natural gas transportation contracts, in contrast to firm transportation contracts, are exempt from transaction period (or term) limits since they are “evergreen” in nature and do not obligate or commit the Authority to transport or pay for any minimum volumes of natural gas.

<sup>10</sup>Trading authorization limits may be delegated for a short or extended term. All delegations, whether in whole or in part, must be in written form. Extended term delegations must be signed by the individual receiving the delegation and co-signed by the immediate supervisor, accompanied by the staff member’s written certification of his or her understanding of all applicable Authority policies and procedures and re-certified annually.