

December 16, 2014

The New York Power Authority ("NYPA") and the Niagara Frontier Transportation Authority ("NFTA") (collectively, "Parties") are parties to a February 2, 1990 agreement ("1990 Agreement") under which NYPA sells 1,000 kW of hydropower and energy to NFTA under Service Tariff No. 37 (ST-37) for use by NFTA's regional light rail system.

Under the terms of the 1990 Agreement, sales of additional amounts of power and energy may be made on terms and conditions mutually acceptable to NYPA and NFTA. The Parties agreed on January 29, 2004 and again on December 15, 2009 that NYPA would sell 2,300 kW of firm power and energy for use at NFTA's Niagara Falls International Airport to support continued operation of the Niagara Falls Air Base ("NFAB") located at the airport. The term of these sales is scheduled to extend until midnight, December 31, 2014.

The Parties desire to extend this service, and NYPA has agreed to extend the allocations, through December 31, 2019. The rates, terms and conditions for such extended service will be those applicable under ST-37 as it may change from time to time.

Delivery service to the NFAB will continue to be provided by Niagara Mohawk Power Corporation through its applicable tariffs. NFTA agrees to reimburse NYPA for all costs incurred by NYPA on NFTA's behalf in connection with the provision of electricity by NYPA to NFTA, including any charges imposed on NYPA by the New York Independent System Operator through its Open Access Transmission Tariff (or the tariff of any successor entity).

As noted, the extended term for the sale of the 1,000 kW and 2,300 kW allocations shall extend until midnight, December 31, 2019, renewable for successive five-year terms upon mutual agreement of NYPA and NFTA. Pending such mutual

agreement, service shall continue on a month-to-month basis until terminated by either party on 90 days' notice. If the NFAB permanently reduces or terminates operations at the Niagara Falls International Airport, NFTA may reduce or terminate service with respect to the allocation used at the NFAB, upon 90 days advance written notice, provided that NFTA shall be responsible for all costs associated with such service through and including the date of termination, which costs shall be billed by NYPA to NFTA when known.

If this is acceptable to your organization, please sign in the space provided below.

AGREED:

Power Authority of the State of New York

Accepted _____ Date _____

James Pasquale
Senior Vice President - Economic Development & Energy Efficiency

Niagara Frontier Transportation Authority

Accepted _____ Date _____

Kimberley Minkel
Executive Director