March 26, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

SUBJECT: Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

SUMMARY

The Trustees are requested to take final action to approve a decrease in the Fixed Cost component of the production rates by $2.5 million or 1.8%, excluding Astoria Energy II ("AEII") plant expenses to be charged in 2015 to the New York City Governmental Customers ("NYCGCs" or "Customers"). The decrease would be effective with the March 2015 bills.

BACKGROUND

At their December 16, 2014 meeting, the Trustees directed the publication in the *New York State Register* ("*State Register*") of a notice that the Authority proposed to increase the Fixed Costs component of the production rates by 1.9% to be charged in 2015 to the Customers. The *State Register* notice was published on January 7, 2015 in accordance with the State Administrative Procedure Act ("SAPA"). The public comment period expired on February 23, 2015. The City of New York ("City") is the only one of the eleven NYCGCs who filed formal written comments.

As indicated in the December 16th memorandum to the Trustees, under the Customers' Long Term Agreements ("LTAs"), the Authority must establish Fixed Costs based on cost-of-service principles and may make changes only under a SAPA proceeding with the approval of the Trustees. As the memorandum also indicated, the LTAs establish two distinct cost categories: Fixed Costs and Variable Costs. Fixed Costs, which represent approximately 20% of the total production cost-of-service, include Operation and Maintenance ("O&M"), Shared Services, Capital Cost, Other Expenses (i.e., certain directly assignable costs), and a credit for investment and other income. Variable Costs, representing 60% of the total production costs, include items such as fuel, purchased power, transmission costs, etc. The remainder of the costs represents AEII plant expenses agreed to by contract.

DISCUSSION

Based on Customer comments received and staff's analysis, the final decrease in Fixed Costs sought by this action is $2.5 million. This represents a $5.1 million decrease from the proposed Fixed Costs estimate discussed at the December 16, 2014 Trustee meeting. Under the LTAs, Customers' concerns must be considered in a confidential process prior to presenting any proposed changes to the Fixed Costs to the Trustees or issuing them for

public comment. In 2014, numerous Customer data requests were presented to staff, and in all cases, responses to relevant questions were provided to the Customers.

As part of the SAPA process, the City submitted formal written comments to NYPA. The City's comments in its entirety are attached as Exhibit "A". In their comments, the City stated that while the overall process of developing the Cost of Service ("COS") was improved in 2014, the City still looks forward to a more transparent process as well as rates that are fair and reasonable. The City requests that the Board of Trustees further reduce the Fixed Costs from the level set forth in the Preliminary 2015 COS by approximately $20 million; extend the recovery period for fixed-rate debt service for the 500 MW plant to match the life of the plant; and undergo a comprehensive and independent management audit. Below are staff's analyses and recommendations addressing the public comments received on the Fixed Costs proposal.

1. Staff Analysis of Public Comments on Fixed Costs and Recommendations

Staff notes that the Fixed Costs have decreased noticeably since the end of 2010. Fixed Costs, exclusive of those associated with AEII, were $159.7 million in the 2011 Final COS; $159.7 million in the 2012 Final COS; $154.3 million in the 2013 Final COS; $138.3 million in the 2014 Final COS; and if the Trustees accept staff's recommendations, then $135.8 million for the 2015 COS. Over the five year period, Fixed Costs have decreased by 15%.

In addition to decreasing Fixed Costs, the NYPA rate structure produced over $300 million in estimated production cost savings in 2014 versus what the Customers would have paid for similar Con Edison service, while receiving NYPA account management, load research, billing, system operations, risk management, scheduling and settlements services.

Staff Review of 2015 LTA Annual Process: During this cycle of the LTA annual process, NYPA staff has provided the Customers with abundant verifying information in the form of a comprehensive Preliminary 2015 COS and accompanying staff report. In addition, NYPA staff has responded to numerous data requests made during the discovery process.

The Preliminary 2015 Variable Costs were distributed to the NYCGCs on July 7, 2014 to assist NYPA and the NYCGCs in formulating their procurement plans for energy, capacity, and ancillary services for 2015. As agreed upon by NYPA and the NYCGCs, Fixed Costs were released later in the year, to capture final data used in NYPA's 2015 Official Budget which was approved by the Trustees on December 16, 2014.

On July 17, 2014, the City of New York submitted the first set of discovery questions on behalf of the NYCGCs, related to variable costs. There were 11 discovery requests, many of which contained multiple parts. NYPA responded two weeks later on July 30th, with a complete set of answers including various analyses. On July 31, 2014, the MTA followed the City of New York with a second set of 10 discovery questions related to variable costs, which were answered on August 12th.

On October 23, 2014, NYPA distributed the Capital Costs portion of the Fixed Costs figures to the NYCGCs, with the remaining Fixed Costs figures being distributed on November

21, 2014. In all, 26 discovery questions, some with multiple parts, were submitted by City of New York and the MTA, which were answered by NYPA from November through January 5th. The questions focused on major and minor capital additions, costs associated with the 500 MW plant facility, a request for further information on the Poletti decommissioning project, inquiries surrounding the headquarters budget and the allocation of costs to the Southeast New York Customers ("SENY") and the small hydroelectric facilities ("Small Hydros"), questions on the use of consultants and contractors, and requests for financial presentations delivered to the rating agencies.

As a follow-up to the written responses, NYPA and the NYCGCs took part in a call on January 7th to clarify answers NYPA had provided. The NYCGCs were looking for additional explanation on capital additions and business case process, the Poletti decommissioning, the number of employees dedicated to SENY and the Small Hydros, and a few questions around risk. Follow-up items from that call were answered from January through February 13th.

Staff has attached one of NYPA's response packages to this item as Exhibit "B", which explains in detail NYPA's budgeted O&M and Shared Services expenses for 2015 for the Customers. Included in Exhibit B are explanations detailing how NYPA allocates its Shared Services expenses over its various customers and projects, and a mapping which demonstrate how the 2015 Budget figures, approved by the Trustees at their December 2014 meeting, flow into the NYCGCs COS. While the NYCGCs were generally tepid with praiseworthy comments, they did acknowledge that "these changes by NYPA staff allowed the City to directly compare the COS information to the Budget information presented to the Board of Trustees. Overall, this approach was an improvement to the process compared to prior years."

Equally important to the numerous responses provided to the NYCGCs, was an internal process NYPA developed during the early part of 2014 to mitigate the enterprise risk "Increase in Non-Recurring O&M Expenses." The Increase in Non-Recurring O&M Expenses risk was one of two pilot enterprise risks that the Trustees were briefed on in 2014. Staff is sensitive to the level of non-recurring O&M expenses that are charged to various customers, or which have the potential to impact NYPA's net revenue. The mitigation plan called for: (1) better communication between NYPA financial staff and NYPA operational staff so that all internal parties understand the net revenue and customer rate impacts of proposed investment; and (2) a formalized system of O&M project prioritization and substantiation, utilizing a newly developed risk assessment and project prioritization ("RAPP") tool. The RAPP tool assesses risk factors associated with proposed projects to more effectively establish the hierarchy within the project portfolio. The risk mitigation plan was a cross functional effort between finance and operations departments, and it produced a 2015 budget plan that balanced reliability and operational needs against customer rate impacts.

Staff now provides its analysis and recommendations regarding seven issues raised by the City in their comments filed on February 23, 2015.

The following is a summary of the NYCGCs comments filed under SAPA proceedings and NYPA's responses.

Issue 1-A: The Rate of Increase of the Fixed Cost

Comments: The rate of increase of the Fixed Costs is excessive and unreasonable. The City included a table in their comments, indicating that parts of NYPA's Fixed Costs have grown by more than four times the inflation rate over the past five years. The City believes that there are many items included in the COS that are not justifiable.

Staff Analysis: Some clarification to the City's use of the term "Fixed Costs" is in order. Fixed Costs, as stated above, have in fact gone down steadily over the past five years, not increased. Fixed Costs are comprised of Capital Costs (including Debt Service), Other Expenses, Direct Site O&M expenses, and Shared Services Expenses, which are mainly comprised of an allocated portion of Headquarter Expenses and Research & Development ("R&D") costs. It is the O&M and Shared Service expenses that the City is actually referencing in their analyses of Issue 1-A, Issue 1-B, Issue 1-E, Issue 4 and presumably Issue 7.

Staff disputes the claim that the rate of increase of Fixed O&M and Shared Services costs is excessive and unreasonable, and contends that costs presented are the necessary expenditures to safely and reliably operate the facilities that support the Customer load. Further, staff has been forthcoming and responsive to information requests from the NYCGCs.

Each year NYPA provides the NYCGCs details that substantiate the proposed Fixed Costs in the COS. The documentation includes the major drivers in the proposed cost, a comparison with the previous year, explanations of projects, explanations and calculations of allocations, reconciliation to the approved Budget, and numerous other details and information supporting the cost. NYPA staff also responds to Customer questions, comments and concerns, by providing additional information including expanded explanations to assist their understanding of the component costs.

As noted by the Customers, there has been some above average growth in the O&M and Shared Services expenses. This growth is essentially driven by two components, the addition of AEII support costs and an increase in non-recurring costs (includes outage costs not covered in the Wood contract). AEII became operational in mid-2011, with 2012 being the first full year of operation. For 2011 and 2012, the NYCGCs did not pay for any of the NYPA non-lease costs associated with supporting this facility. The approximate $2.0 million dollar annual cost to support the facility was phased in during 2013 and 2014. The other major driver is the growth in non-recurring projects. In 2012, non-recurring projects accounted for $2.8 million, while in 2015 these costs are $8.2 million.

Non-recurring costs fluctuate from year to year depending upon such factors as wear and tear and the life cycle of equipment, new regulatory requirements, emerging issues, advances in technology that improve performance and safety, and available resources. All projects are vetted and prioritized on a company-wide basis. For 2015, there are several projects that are related to safety and regulatory requirements. These include cathodic protection evaluation, noise

reduction improvements and an arc flash study at the 500 MW plant, as well as a fish guidance study at the Crescent facility. There are several other projects that will maintain the reliability of the facilities that are dedicated to the Customer load. In addition, the 2015 O&M and Shared Services expenses include the non-recurring cost of a new risk system.

The NYCGCs have been provided a list and description of these non-recurring projects, which are a major factor in the increased costs in 2015.

Recommendation: Accordingly, staff recommends no overall reduction in either of the O&M or Shared Services expenses, based upon a growth rate that is primarily driven by new costs (AEII) and various non-recurring projects.

Issue 1-B: Excessive Personnel Costs

Comments: Excessive personnel costs have been allocated to the SENY cost category, including the assignment of 30 full-time equivalent positions, accounting for $4.1 million in site payroll as well as $1.0 million for consultants and contracted services. The NYCGCs are allocated $17.8 million of NYPA's headquarters costs and $2.1 million for site payroll, consultants, and NYPA headquarters staff for AEII. The NYCGCs are also allocated personnel costs related to the four Small Hydros, including 31 full-time equivalent people accounting for $4.5 million in site payroll plus $1.7 million for consultants and contracted services. The City questioned the reasonableness of these labor and consultant costs allocated to the NYCGCs, stating that NYPA has not provided information to justify said costs.

Staff Analysis: In response to the questions raised by the City about contractors and consultants supporting the facilities, they are utilized when special expertise is needed (mostly for non-recurring work), or if it is found to be more economical than hiring additional full time staff. The majority of the $1.7 million for consultants and contractors consists of non-recurring maintenance work (mostly from the painting and concrete repair for the Crescent Tainter Gates and the Crescent Fish Guidance System) with the balance generated from other recurring maintenance. Information about labor, contractors and consultants has been provided in prior Customer responses.

The personnel staffing cited represents the budgeted labor of various NYPA departments required to meet the known operations and maintenance challenges for 2015. For the Small Hydro facilities much of the staffing is associated with labor hours directly budgeted to projects and tasks at each facility. In the case of SENY and AEII, most of the personnel costs are directly assigned based upon annual surveys of the cost centers supporting these facilities. In all cases, these costs are year specific and have been vetted at several levels before final approval in the 2015 Budget.

The Small Hydro facilities are dedicated to serving the NYCGC's load. In the 2015 Budget, there are 31 full-time equivalents ("FTE's") that are directly charged/assigned to these facilities. Twenty two FTE's are from the operations and maintenance staff at the Blenheim-Gilboa and Clark facilities. The balance of the FTE's represent real estate, environmental, engineering, project management and site functions such as warehouse and purchasing that

support Small Hydro work and projects. NYPA staff is often required to travel significant distances (from the Blenheim-Gilboa and Clark facilities) to the facilities, which is charged as working time to the cost center, in order to perform routine plant maintenance. Also, at some of the facilities, there are shoreline, recreational and environmental issues that must be addressed to comply with license requirements.

NYPA support for SENY includes account management, load research, billing, system operations, risk management, scheduling and settlements. As stated in prior Customer responses, we have indicated that there is no double counting of the FTE's that support SENY in the SENY headquarters cost allocation. As with the Small Hydro facilities, contractors and consultants are utilized when it is more economical or NYPA staff does not have the expertise to perform certain tasks. In 2015, contract services and consultants will be primarily associated with a new risk software solution, market analysis for pipeline construction and fuel costs, and other miscellaneous services.

NYPA staff also supports AEII with its fuel operations, market analysis and hedging and energy resource management. In 2015, contract services will be utilized for market price data gathering and hedge strategy consulting.

Recommendation: Staff believes these costs are justified and should not be reduced.

Issue 1-C: Capital Investments at the Small Hydro's

Comments: A greater assessment and scrutiny of capital investments in the Small Hydros are needed. The City voiced the necessity for undertaking and presenting to Customers a cost-benefit analysis for all Small Hydro capital projects. The City questioned why NYPA needed to rebuild a turbine at Jarvis and why NYPA fabricated replacement parts, instead of procuring replacement parts from the original equipment manufacturer. The City also stated that NYPA does not follow standard utility accounting practices as NYPA does not follow the Uniform System of Accounts. Specific examples were provided to demonstrate this point, including the Jarvis rebuild and the replacement of the tainter gate at the Crescent facility both being categorized as maintenance items rather than major capital investments. As such, the City requested the Board of Trustees to direct NYPA staff to determine and make the necessary adjustments to the Fixed Costs.

Staff Analysis: Regarding additional capital expenditures at the non-economic Small Hydro plants, the responsibility to maintain these facilities is grounded in several principles, foremost of which is our obligation under our FERC operating license. NYPA is required to not only operate the dams, but to also maintain the waterways in which the facilities exist. Additionally, the Small Hydros fall under NYPA's mission of upholding the stewardship of natural resources in the State of New York, while providing green energy for consumption within the state.

There are currently two capital projects underway at the Small Hydros: (1) Units 3 & 4 overhauls and (2) control upgrades at Crescent and Vischer Ferry. Once these upgrades are complete, O&M costs at the two facilities are expected to decrease. Had the work not been done,

however, NYPA projects that there would have been a significant increase in O&M costs, and decreased reliability in the operation of the plants.

In response to the comments about the Jarvis facility rebuild, details from the scope of work indicate that the damage sustained by components of the turbine, caused by loosened bolts and normal wear and tear, resulted in the required repair of a number of components, not replacement. Based upon this "repair" classification documented in NYPA's Conceptual Project Review (CPR) database, the accounting determination was to expense rather than capitalize. Similarly, the rebuild of Unit #1 was classified in the CPR as preventative maintenance on the unit, which included adjusting the runner blades, steel weld overlay on runner sockets, and sealing system, etc. These items are repairs to the turbine, which are classified as O&M.

In response to the City's question about fabrication of parts rather than purchase, NYPA explored the options of purchasing the parts from Andritz Hydro AG ("Andritz"), the vendor who owns all of the rights and technical information from the Original Equipment Manufacturer ("OEM"), Bell Products, Inc. Andritz does not have these parts in stock, and would have fabricated them for our specific order. NYPA also contracted with Lucius Pitkin, Inc. to obtain samples of the metallurgical and heat transfer specifications on the existing machinery, which NYPA used to develop technical and performance specifications for replacement parts. Those specifications and requirements were used in a competitive bidding process, for which several different metal fabrication companies were chosen to provide the necessary parts. Purchasing the parts from various vendors as a result of the competitive bidding process versus acquiring them from Andritz saved approximately $150,000.

Regarding accounting classifications, NYPA maintains its books and records in accordance with generally accepted accounting principles, and its annual financial statements are audited by independent public accountants. Further, NYPA follows utility accounting practice when determining whether expenditures are categorized as capital or maintenance items.

Under this method, NYPA establishes Retirement units, which denote the smallest items or components of plant and equipment which NYPA will account for in its capital accounts as a Unit of Property. The smaller components that make up the designated Units of Property are identified as Minor items of property. Costs incurred in connection with additions or replacements of Retirement units of property are accounted for as Capital, while costs incurred in connection with additions or replacements of Minor items of property are accounted for as Maintenance. NYPA applies this methodology consistently in Capital versus Expense determinations at all of its facilities.

Lastly, with respect to the point about the tainter gates at the Crescent facility, had this been a replacement of the gates, it would have been classified as Capital. Since the work only includes painting and inspection, it will be classified as an O&M expense.

<u>Recommendation:</u> In the future, NYPA will perform a formal cost-benefit analysis for new, large capital projects at the Small Hydro facilities, and will provide justification for major expenditures to the NYCGCs upon request. In regard to the rebuild at the Jarvis facility, as detailed in this response, the expenditures were for required repairs to damaged parts, which are

necessary for operation of the plant. These expenses were reviewed and approved by management at NYPA as part of the normal course of business, and should not require further review by the Trustees. As to the tainter gates at the Crescent operation, the expense items are for painting and inspection, not replacement. These are also normal course of business expenses which are reviewed by NYPA management, and do not require Trustee review.

Issue 1-D: Variable Debt Interest Rate

Comments: The interest rates charged to the NYCGCs are excessive and are not consistent with the requirements of the LTA. In response to the City's objection of these rates last year, NYPA staff stated that these interest rates were essentially locked-in when the LTA was executed in 2005. The City stated that NYPA's position has no contractual or factual basis, and the LTA did not freeze short-term variable interest rates at their 2005 levels. The City acknowledged that NYPA uses a variety of debt instruments, and their interest rates vary and can be higher than the commercial paper rate. However, the commercial paper interest rate is 0.75%, according to NYPA's approved budget for 2015. NYCGCs are being charged between 4.5% and 6.5% for commercial paper debt service expense. The City recalculated the Fixed Costs using interest rates of 2.0% and 3.0% for those items for which interest was included, other than fixed debt instruments. As a result, the City proposed that the Fixed Costs be reduced by $6.0 million, but not less than $4.0 million.

Staff Analysis: NYPA initially set the interest rate on 500 MW plant variable rate debt based on an approximation of market rates at the time the LTA was executed, and NYPA was willing to assume the risk that actual rates would be higher. In order to allow the NYCGCs to benefit from expected lower short-term market rates going forward, NYPA is willing to share this risk with the NYCGCs by artificially fixing the interest rate on the variable rate debt at 2.5%. The lower rate will be used beginning with the 2015 COS through the stated expiration term of the LTA (December 31, 2017). The result will decrease 2015 COS expenses by approximately $4.0 million.

The decrease in rates does not affect variable rate debt expense associated with the Small Hydro projects. The debt matured on February 13, 2015 and the debt service was levelized over the term at the request of the NYCGCs.

Recommendation: NYPA will lower the fixed interest rate to 2.5%, resulting in a decrease of approximately $4.0 million in the 2015 COS.

Issue 1-E: Costs Associated with Consultants and Contractors

Comments: The use of consultants and contracted services is unjustified and should be rejected. Compared to 2014, contracted services costs have increased by more than 35% and the cost for consultants has increased by almost 82%. NYPA has not justified why the work being done by contractors and consultants to perform recurring maintenance work could not be performed by the 31 FTE's assigned to the Small Hydros or the 1,075 NYPA employees assigned to operations. The work performed by contractors and consultants accounts for over $8.0 million in the Fixed Costs. NYPA has not provided sufficient granularity on the contractors

and consultants work for the City to properly review. As a result, the City asserts that the contracted services costs should be reduced by $4.0 million and consultant costs should be reduced by $800,000, in order to align these costs with the levels from prior years.

Staff Analysis: Staff disagrees with this comment. In responses to Customer questions during the January 7th conference call, it was stated that the increase in these costs is directly attributed to increased non-recurring work (including outage work not covered under the Wood contract). NYPA provided a list and description of non-recurring projects that are included in the 2015 COS. As stated previously, these projects have been vetted and prioritized, and represent NYPA's assessment of the required work in 2015 to maintain the safe and reliable operation of the facilities and functions that support the NYCGCs.

NYPA elects to execute certain work with consultants and contractors when it has been determined that it will cost the Customers more to acquire the staff expertise than is required. This generally applies to one time, periodic or specialized work that is less than full time work. This is especially true of the non-recurring and outage work.

Regarding recurring work, NYPA uses contractor support for maintenance at the 500 MW plant, contractors to service HVAC, scaffolding, water sampling, waste removal, and assembly and disassembly of the flash boards at the Small Hydro facilities, etc. As stated in the conference call, NYPA continually reviews its contract services to determine whether it is more economical to use NYPA employees or contractor support. At this time, there is currently no surplus of labor available to eliminate these costs.

Recommendation: Based upon the explanation provided, staff disagrees with the comments and states the included costs are justified and should not be reduced.

Issue 1-F: Vehicle-Related Costs at the 500 MW Plant are Unjustified and Excessive

Comments: Vehicle related costs are unjustified and excessive. Since 2006, NYPA has purchased 17 vehicles, other than forklifts, for the 500 MW plant and Poletti. Given that Poletti ceased operating in 2008, it is presumed that NYPA is not continuing to make capital investments in a closed facility. As such, the purchased of 17 vehicles to operate a single, fixed location facility seems excessive. The vehicle related costs should be reduced to encompass only one or two vehicles.

Staff Analysis: NYPA staff has reviewed the Customers' assertion that 17 vehicles are assigned to the 500 MW plant, and provides the following analysis.

NYPA commences the recovery of its capital expenditures on a two year lag basis. For example, capital expenditures incurred in 2013 are first included in the 2015 COS, 2014 expenditure in the 2016 COS, etc. These costs are recovered over a number of years in a straight line method. For these vehicles which include pickup trucks, SUVs and passenger vehicles, the recovery period is five years.

The 17 vehicles cited by the City represent the total purchases between 2007 and 2013. Of this total, five vehicles have already been retired (as they have exceeded their useful life), and are not included in the 2015 COS. The remaining 12 vehicles, which are included in the 2015 COS, supported the operation and maintenance of the 500 MW plant during 2013. The vehicles supported the security, warehouse, operations, metering and other functions at the site. NYPA's Fleet Management division reviews and assesses all vehicle requests. The review includes usage, need and other parameters that would establish a justification for the purchase. This division is also tasked with rightsizing and optimizing fleet efficiency.

Recommendation: Staff contends that the 12 vehicles at the site in 2013 are justified. Therefore, staff recommends that the full cost of the 12 existing vehicles remain in the fixed cost, and no adjustment to the Fixed Cost be made.

Issue 1-G: Black Start Costs at the 500 MW Plant

Comments: The black start charges must be reviewed. The NYCGCs have been charged a total of $726,785 for black start equipment at the 500 MW plant since 2008. Given that the 500 MW plant does not have black start capability, the City requests that these costs be removed from the Fixed Costs.

Staff Analysis: As part of the 500 MW plant interconnection agreement with Con Edison, dated August 5, 2004, NYPA was required to establish a technical and economical black start capability for the 500 MW plant. After initial analyses and discussions with Con Edison, it was apparent that that black start capability at the 500 MW plant was technically feasible but not economically justified. The payback period for the project was approximately 70 years, far exceeding the useful life of the asset. Thus, the project was abandoned in favor of a technically feasible and more economic black start capability utilizing NYPA's Harlem River and Hell Gate plants.

The City is correct in its assertion that if the 500 MW plant participated in the black start program, the costs would be recovered through the NYISO, and not directly through the Customers. Since the project did not materialize, costs could not be recovered in this manner. Therefore, this cost represents the abandoned cost for the project with a twenty-year recovery period.

Recommendation: In reviewing the project costs, staff identified a credit that will be applied in 2015, thus reducing the project cost by $170,000. The impact on the 2015 Fixed Cost will be a reduction of approximately $12,000.

Issue 1-H: Inconsistent Accounting Treatment of Spare Parts between Poletti & 500 MW Plant

Comments: The methodology for charging the NYCGCs for spare parts between Poletti and the 500 MW plant are inconsistent. The NYCGCs were informed by NYPA that they would be charged the costs of parts for Poletti when placed into service, rather than when NYPA acquired the inventory. The NYCGCs are being charged for spare transformers at the 500 MW

plant, prior to entering service. As such, the City asserts the charges for spare parts costs are not consistent. The City requests the carrying costs for the spare transformers at the 500 MW plant be removed from the development of future years' COS. Conversely, if the treatment of the spare parts costs is consistent with NYPA's accounting practices, NYPA has been double-charging the NYCGCs for the Poletti materials and supplies inventory; all historical and current charges for such inventory should then be reversed and the NYCGCs credited for those improper charges.

Staff Analysis: In the 2011 Final COS, an analysis of NYPA's material & supply inventory system resulted in a determination that $7.9 million of Poletti inventory was obsolete beyond salvage value. The $7.9 million is being written off over seven years, which is the remaining term of the LTA, including NYPA's opportunity cost at 4.25% per year. This inventory is classified as Normal inventory. Normal inventory purchases are charged to O&M or Capital at the point of use at the power plant.

Capital Spare Parts are acquired spare parts or auxiliary equipment which are specifically fabricated for particular fixed assets in a capital project, maintained in immediate proximity of the capital project, and required during the installation/testing phase or held for emergency back-up after the capital project is put into service. The costs associated with these items are depreciated/ amortized over the useful life of the asset, and recovered from the Customers over time. The spare transformer at the 500 MW plant is classified as a Capital Spare Part, and as such, is charged to the Customers over time from acquisition, rather than the point at which the item is taken out of inventory and put into service.

The remaining spare part inventory at the 500 MW plant, which is classified as Normal Inventory, is treated the same way as the Normal Inventory was treated at Poletti, in which purchases are charged to O&M or Capital at the point of use at the power plant.

Recommendation: NYPA is consistent in its method of accounting for inventory at the Poletti and 500 MW plant. Staff therefore recommends no changes to inventory charges.

Issue 2: Recovery Period for the 500 MW Plant's Fixed Rate Debt Service Expense

Comments: The recovery period for the 500 MW plant's fixed rate debt service expense should be extended to match the service life of the unit. The City requests NYPA extend the recovery period for the fixed rate debt service expense to no less than 30 years, thereby reducing the Preliminary 2015 Fixed Costs by $20 million.

Staff Analysis: The charging of annual debt service cash flow for capital recovery purposes by non-investor-owned utilities such as NYPA is not uncommon for public power utilities (namely governmental and municipal electric utilities), and it has been the method used by NYPA in every COS developed for the NYCGCs since they became NYPA customers in the mid-1970's. Debt Service consists of principal and interest payments to bondholders. These bondholders must be paid what they are due. Typically, the bonds and their accompanying debt service cash flow are of a 20 year to 30 year duration, which does not necessarily directly correspond to the useful lives of the assets being financed.

When the City states that capital investment in a facility is recovered over its entire life, they are referencing, for the most part, a situation involving an investor-owned utility and for asset functions such as transmission or distribution that remain regulated by an overseeing entity such as a State Public Utility Commission or the Federal Energy Regulatory Commission. The Generation function is the part of the utility business that has been separated from the regulatory framework, and is open to competition. Absent the regulatory compact, generators are subject to either the vagaries of the energy and capacity markets, or trying to reduce risk and achieve revenue stability by entering into contractual arrangements with parties on a mutually consenting basis. The LTAs between the NYCGCs and NYPA is one such mutual and voluntarily entered-into agreement, where the payment of debt service has been codified as one of the fixed expenses where NYPA is granted recovery. In return for the payment of fixed expenses, the NYCGCs receive the net position of the 500 MW plant's output.

The City states that it conducted an analysis that shows that NYPA does not experience any real risk with the 500 MW plant investment recoveries if it were to lower its debt service charges to the levels requested by the City. Though this is a possibility, it raises the question of why NYPA should assume the chance of any additional risk, while all of the benefits of the 500 MW plant fully flow to the Customers. The net benefit/cost of the 500MW plant is the energy margin revenues (energy sales minus fuel costs) plus avoided installed capacity costs minus fixed expenses (which includes fixed debt service). In the 2015 Preliminary COS provided to the NYCGCs on December 19, 2014, the energy margin plus installed capacity avoided costs equaled roughly $150 million in projected benefit versus about $106 million in total fixed expenses for a net benefit in the $45 million range. This potential benefit accrues fully to the NYCGCs.

NYPA is already carrying fixed debt that exceeds the current contract term with the NYCGCs by close to five years. It makes little sense to defer some of this debt into future years where the Authority has no firm customer contracts, and where market conditions may change to a point that makes the debt recovery problematic. However, should the NYCGCs and NYPA agree on an extension or replacement to the existing LTAs, NYPA would be amenable to extending the 500 MW plant debt service out through the end of term of the new contract.

Recommendation: Staff recommends no change to the recovery period for the 500 MW plant's fixed rate debt service expense.

Issue 3: Elimination of the Demand Side Management ("DSM") Charge

Comments: NYPA provided an explanation to the NYCGCs that the DSM charges included in the Preliminary 2015 Fixed Costs are an allocation of costs for renewable and clean energy projects. NYPA followed this claim with an itemized list of past projects categorized under DSM. The City feels most of the projects itemized by NYPA are location-specific and should be paid for by the customers who directly benefit from them. The City requests that the Board of Trustees removes the $400,000 DSM charge from the Preliminary 2015 Fixed Costs and provide a credit to the NYCGCs equal to the total DSM charge included in past years' Fixed Costs.

Staff Analysis: NYPA will eliminate the Demand Side Management ("DSM") charge from the 2015 rate development. The DSM charge falls under the cost category "Other Expenses" in the Preliminary 2015 COS. While reviewing the NYCGCs' data request, staff determined that this DSM assessment was being recovered by another means ─ through the fee structure that NYPA's Energy Efficiency business unit charges Customers for turn-key energy efficiency projects.

Also during its review, staff determined that the NYCGCs are not being assessed certain Other Expenses that other NYPA customers are being assessed. While the magnitudes of these expenses are quite small in the various cost-of-services, the approach needs to be uniform and ultimately more transparent. Many of the Other Expenses result from programs that NYPA has taken on via prompting from the NYS Governor's office or from state agencies such as NYSERDA. Staff is working to create a standardized process for allocating Other Expenses to all customers.

Recommendation: Staff recommends the elimination of the DSM charge of roughly $400,000 in the 2015 Cost of Service. Upon the "Other Expense" determination process developed with input from NYPA senior management, staff will evaluate whether the DSM expenses from earlier years resulted in an unjustified level of expense. Staff will communicate its findings to the NYCGCs and if the result is in the Customers' favor, will attempt to work out a means of passing back the overcharges. Staff notes that contractually NYPA is not required to reconcile previous years fixed expenses, but in this particular case, if justified, NYPA will do so.

Issue 4: Allocation of R&D Costs

Comments: The R&D costs included in the Preliminary 2015 Fixed Costs account for $8.8 million. The City specified that it is improper to allocate the R&D costs based on a labor ratio, as the summary of the R&D costs provided by NYPA indicates that the R&D projects are specifically related to individual operating organizations and can be easily allocated to those organizations. The City further claimed that many of the R&D projects have no direct relationship to NYPA's responsibilities under the LTA. The City requests the Board of Trustees direct NYPA staff to revise the allocation of R&D costs to be consistent with the LTA and adjust the Fixed Costs accordingly.

Staff Analysis: As described by FERC's definitions for the "Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act," R&D expenses are defined as expenditures incurred by public utilities either directly through another person or organization (such as a research institute, industry association, foundation, university, engineering company or similar contractor) in pursuing research, development and demonstration activities including experiment, design, installation, construction, or operation. This definition includes expenditures for the implementation or development of new and/or existing concepts until technically feasible operations are verified…….the term includes, but is not limited to: all such costs incidental to the design, development or implementation of an experimental facility, a plant process, a product, a formula, an invention, a system or similar items……the term includes preliminary investigations and detailed planning of specific projects for securing for customers non-conventional electric power

supplies that rely on technology that has not been verified previously to be feasible…….the term does not include expenditures for efficiency surveys; studies of management; management techniques and organization; consumer surveys, advertising, promotions, or items of like nature. NYPA's historical expenditures for fuel cell technology, electric vehicle demonstrations, hybrid fuel technologies, evaluation of high temperature conductor and connector systems, lithium ion battery demo, etc., meet the industry definition for R&D.

R&D costs are classified as operating expenses, and commonly recovered through rates. FERC grants recovery of R&D expenses from utility customers with the expenses predominately being accounted for in the Administrative and General Expenses section of the Operation and Maintenance Expense Chart of Accounts; specifically, in account 930.2 Miscellaneous general expenses. The FERC standard for functionalizing Administrative and General Expenses is through the use of labor ratios. NYPA is merely following this industry standard when it allocates a portion of the R&D expenses based on labor ratios to the NYCGCs.

Recommendation: NYPA's R&D program and projects are in alignment with the industry standard, as is the methodology of using labor ratios to allocate costs. Staff therefore recommends no change to Fixed Costs based upon R&D allocations.

Issue 5: Poletti Decommissioning Costs

Comments: In 2014, NYPA exceeded its contingency budget for the Poletti decommissioning costs by $2.7 million and informed the NYCGCs that it would be adding another $11.3 million of costs to the project. The City asserts that NYPA did not properly plan the decommissioning of Poletti and some of the additional costs could have been avoided if the decommissioning plan had been more complete. As such, the City proposed NYPA accept some of the responsibility for these changes and absorb a portion of the additional costs. Further, the City proposed an equal division of the additional costs, thus reducing the decommissioning costs of $8.0 million.

Staff Analysis: The Authority's planning of the Poletti Decommissioning and Deconstruction Program occurred between 2007 and 2010. The Authority worked with consultants experienced in fossil fuel plant decommissioning, including Hatch Acres, Aecom and TRC to conduct studies, assessments, industry information, etc. to plan the Poletti Program and identify most obstacles and risks long in advance of the cease generation date in 2010. In early 2008, Hatch Acres, under contract with the Authority, produced the overall Deconstruction budget estimate, attached hereto as Exhibit "C." Aecom, also under contract with the Authority, put into place a comprehensive project plan (2008), then designed (2009) and deconstructed (2010) the Demineralizer as the first construction portion of the decommissioning program. The Decommissioning plan, annexed hereto as Exhibit "D," outlines the milestones and expected work, as well as target dates for the project. This was the first iteration of the plan, created before any RFP's were issued for the contract work to deconstruct the plant. An overall, broad scope document was also created which gave a high-level view of responsibilities for internal NYPA personnel, is attached hereto as Exhibit "E."

Prior to award of the deconstruction contract, each prospective bidder was required to provide a written outline approach to the project to assure their plan was in alignment with the approach NYPA and its consultants had considered through the years.

After the winning contractor, LVI Services, Inc. ("LVI"), was hired and actual deconstruction efforts began, LVI was held to submission of multiple project plans, which were routinely reviewed and improved upon, prior to permitting and the start of any work. LVI's initial schedule and final versions are attached hereto as Exhibit "F."

There are reports, studies, and presentations (Exhibits C, D, E and F) that were produced and put in place before work commenced which covered the scope of the entire project. These were all followed, improved upon as necessary, and established the checks and balances required to maintain the deconstruction program, as they would with any project of this size and scope.

As to the avoidance of additional costs, an explanation of why these items were only identified during the deconstruction process was provided to the NYCGCs on November 21, 2014, and is attached hereto as Exhibit "G." As stated in that memo, the costs would have been substantially the same for each of the additional items had they been identified before the project commenced.

Recommendation: Based upon the foregoing, staff disagrees with the suggestion that the additional charges be reduced, and states that the included costs are justified.

Issue 6: Review of Depreciation Charges

Comments: As a result of the City's questions regarding capital investments, NYPA reviewed its capital additions for Poletti and the 500 MW plant. This resulted in some adjustments, as NYPA asserted it had been under-collecting its depreciation expense. The City claims that the supporting information provided by NYPA shows that NYPA is over-collecting its depreciation expenses. The City is requesting the Board of Trustees direct NYPA staff to review the calculation of the depreciation expenses to ensure the NYCGCs are not overcharged. The City also reviewed documentation provided by NYPA distinguishing the difference between minor additions and capital additions; the City believes this distinction is inconsistent among those costs included in the Fixed Costs. The City requests the Board of Trustees direct NYPA staff to review the matter and confirm the NYCGCs are not overcharged.

Staff Analysis: To provide the proper backdrop, the subject matter that the City is making reference relates to the 500 MW plant additions post its commercial operation in December 2005. As has been stated by the City in earlier comments, the original investment for the 500 MW plant is recovered through rates that collect the debt service costs that financed the investment. Significant investment of capital additions to the 500 MW plant since the start-up of the plant have been funded by NYPA from its cash reserves. The NYCGCs are responsible for paying these investment costs. The method NYPA uses to recover these capital additions from the NYCGCs is reasonable, but after considering the City's comments, NYPA will develop an improved and clearer presentation method. Staff will keep the NYCGCs apprised of the effort in a timely manner during 2015.

Capital and minor additions are budget terms used by NYPA. Staff believes that these additions can be collectively referred to as capital additions. As part of its improved presentation efforts, NYPA will endeavor to show these additions on a uniform system of accounts basis rather than categorize them as Capital and Minor additions.

Recommendation: Staff will develop a more transparent, uniform system of reporting Capital and Minor additions to the NYCGCs.

Issue 7: NYPA Should Commission an Independent Management Audit

Comments: The Public Service Commission ("PSC") performs comprehensive management and operations audits of each major electric and gas utility. Although NYPA is not governed by the Public Service Law directing the performance of said audits, the City requests the Board of Trustees to direct the performance of an independent management audit of NYPA's practices and operations as this would bring value to the City, NYCGCs and other NYPA customers.

Staff Analysis: In response to the City's request, NYPA does in fact have an independent management and operations audit conducted every five years by the Office of the State Comptroller ("OSC"). The OSC also periodically conducts program audits addressing aspects of the Authority's operations. NYPA additionally have its annual financial Audit, independently performed in recent history by KPMG.

Next, as a New York State public authority, NYPA is required to disclose a significant amount of information and follow numerous State guidelines. Information disclosed publicly includes the Authority's Budget and Financial Plan filed in accordance with section 2801 of Public Authorities Law, its Annual Four-Year Budget and Financial Plan filed with the State Comptroller, as well as biographies and salaries of selected NYPA employees.

Lastly, NYPA contracts out with independent experts in reviewing models, processes, and controls within the organization. These examinations happen with appropriate regularity to the particular business unit and specific function.

Recommendation: Staff believes the existing independent external and internal audits along with NYPA's extensive public disclosures provide a sufficient review of NYPA's operations.

2. Final Recommendation on 2015 Fixed Costs

Based on Customer comments received and further staff analysis, staff recommends a decrease in the Fixed Cost as compared to the 2014 Final COS and the originally proposed 2015 COS in the Notice of Proposed Rulemaking that was noticed in the *State Register* pursuant to Trustees direction at their December 16, 2014 meeting. This is a $5.1 million decrease from the costs appearing in the January 7, 2015 SAPA notice with Capital Cost decreasing by $4.1 million and Other Expenses (DSM and OPEB) decreasing by $1.0 million. Overall, the Fixed Costs for 2015 would decrease by $2.5 million, as compared to the 2014 Final Fixed Costs, to $135.8 million. The decrease in Fixed Costs will be reflected in the production rates effective with the March 2015 bills.

3. **Description of Final 2015 COS and Customer Rates**

Because the Variable Costs component (i.e., fuel and purchased power, risk management, New York Independent System Operator ("NYISO") ancillary services and O&M reserve, less a credit for NYISO revenues from Customer-dedicated generation) is developed in collaboration with the Customers in accordance with the provisions of the LTAs previously approved by the Trustees, staff is not requesting the Trustees' approval of the Variable Costs component of the production rates for 2015. Additionally, the Authority passes through all Variable Costs to the Customers by way of the "Energy Charge Adjustment ("ECA") with Hedging" cost-recovery mechanism that the Customers collectively selected for 2015. This cost-recovery mechanism offered under the LTA employs a monthly charge or credit that reflects the difference between the projected Variable Costs of electricity (i.e., the Variable Costs recovered under the Customers' tariffs) and the monthly actual Variable Costs incurred by the Authority to serve the Customers.

For the Trustees' information, the projected Variable Costs are expected to decrease 21.3% from 2014 levels and in combination with the recommended Fixed Costs decrease and AEII costs, results in a final projected 2015 COS of $680.0 million. At existing rates, revenues of $776.0 million would be produced, resulting in an over recovery of $95.9 million. As a result, staff is recommending that rates be revised to decrease revenue collection by 12.4%. The current 2014 Customer rates and recommended 2015 Customer rates with the overall 12.4% revenue decrease are shown in Exhibit "H."

FISCAL INFORMATION

The adoption of the Fixed Costs decrease would result in an estimated $2.5 million decrease in revenue to the Authority, which is justified by the forecasted reduction in costs. The Energy Charge Adjustment mechanism will protect NYPA from the effects of movements in variable costs above those projected.

RECOMMENDATION

The Manager – Pricing and Energy Market Analysis and the Director – Finance recommend that the Trustees authorize the Corporate Secretary to file a Notice of Adoption with the New York State Department of State for publication in the *New York State Register* for a decrease in Fixed Costs applicable to the New York City Governmental Customers under the LTAs.

The Trustees are also requested to authorize the Senior Vice President – Economic Development and Energy Efficiency, or his designee, to issue written notice of adoption and the revised tariff leaves, as necessary, to the affected Customers.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the Senior Vice President – Economic Development and Energy Efficiency or his designee be, and hereby is, authorized to issue written notice of this final action by the Trustees to the affected Customers; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the New York State Department of State for publication in the *New York State Register* and to submit such other notice as may be required by statute or regulation concerning the rate decrease; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer 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, take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "A"
Customer Comments

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February 23, 2015

VIA E-MAIL AND OVERNIGHT DELIVERY

Ms. Karen Delince
Corporate Secretary
New York Power Authority
123 Main Street, 11-P
White Plains, New York 10601

Re: SAPA No. PAS-01-15-00012-P – Rates for the Sale of Power and Energy

Dear Ms. Delince:

Enclosed please find the Comments of the City of New York on the New York Power Authority's proposal to increase the Fixed Costs component of the production rates for its New York City Governmental Customers for 2015. These comments are submitted in response to the notice published in the New York State Register on January 7, 2015.

If you have any questions regarding these comments, please feel free to contact me.

Sincerely,

COUCH WHITE, LLP

Kevin M. Lang

Enclosure
cc: Hon. Stacey Cumberbatch, Commissioner, DCAS
Ms. Sally Renfro, Chief of Staff, DCAS
Ms. Ozgem Ornektekin, Deputy Commissioner – Energy Management, DCAS
Suzanne M. Lynn, Esq., General Counsel, DCAS
Ms. Susan Cohen, Assistant Commissioner – Energy Budget, Supply & Reporting, DCAS
Gail Rubin, Esq., Chief, Affirmative Litigation, NYC Law Department
Mr. Anthony Fiore, Interim Director of Energy Regulatory Policy, NYC Office of Sustainability

POWER AUTHORITY
OF THE STATE OF NEW YORK

Rates for the Sale of Power and Energy	**SAPA No. PAS-01-15-00012-P**

COMMENTS OF THE CITY OF NEW YORK

February 23, 2015

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TABLE OF CONTENTS

Page

PRELIMINARY STATEMENT 1

PROCEDURAL SETTING 2

COMMENTS 3

POINT I 3

THE RATE OF INCREASE OF THE FIXED COSTS IS EXCESSIVE AND UNREASONABLE 3

A. NYPA Staff And The Board Of Trustees Are Not Properly Determining The Reasonableness Of The Fixed Costs 5

B. Personnel Costs Are Excessive 6

C. Greater Assessment And Scrutiny Of Capital Investments In The Small Hydros Are Needed 7

D. The Interest Rates Charged To The NYCGCs Are Not Consistent With The Requirements Of The Long-Term Agreement 9

E. The Use Of Consultants And Contractors Should Be Reduced 10

F. Vehicle-Related Costs Are Unjustified And Excessive 12

G. The Black Start Charges Must Be Reviewed 13

H. The Treatment Of Spare Parts Is Inconsistent 13

POINT II 14

NYPA SHOULD EXTEND THE RECOVERY PERIOD FOR THE 500 MW UNIT'S FIXED RATE DEBT SERVICE EXPENSE 14

POINT III 18

THE DSM CHARGE SHOULD BE ELIMINATED 18

POINT IV 19

RESEARCH AND DEVELOPMENT COSTS SHOULD NOT BE ALLOCATED VIA LABOR RATIOS 19

POINT V 20

POLETTI DECOMMISSIONING COSTS CONTINUE TO BE A CONCERN 20

POINT VI 21

THE AMOUNTS CHARGED FOR DEPRECIATION SHOULD BE REVIEWED 21

POINT VII 23

NYPA SHOULD ENGAGE IN A COMPREHENSIVE REVIEW AND AUDIT OF ITS MANAGEMENT AND OPERATIONS 23

CONCLUSION 25

PRELIMINARY STATEMENT

The City of New York ("City") has reviewed the fixed cost portion of the projected 2015 Cost-of-Service for the New York City Governmental Customers ("NYCGCs"), as provided to it by the staff of the New York Power Authority ("NYPA"). The City respectfully requests that NYPA's Board of Trustees reduce the fixed costs by $11.2 million related to explicitly-identified items discussed herein, and that it make additional reductions to fixed cost items that are excessive but for which the City does not have enough information to quantify the size of the reductions. The City also respectfully requests that the Board of Trustees extend the recovery period for fixed-rate debt service for the 500 MW unit to match its service life, which is consistent with the manner in which most utility capital costs are recovered. The City estimates that this adjustment would further reduce the fixed costs by approximately $20 million. In total, the adjustments discussed herein would reduce the fixed costs by more than 20% from the $140.9 million level set forth in the preliminary 2015 Cost-of-Service, and by almost 4% on a total cost basis.

In addition to the adjustments discussed in these comments, the City believes that there are many other opportunities for NYPA to reduce the level of the Cost-of-Service while still covering the costs it incurs to serve the NYCGCs. A comprehensive audit will provide a plan for NYPA to do so. Similar comprehensive audits of regulated utilities by the New York State Public Service Commission ("PSC") have resulted in hundreds of millions of dollars of savings for the utilities' customers. The audits have also resulted in improvements and increasing efficiencies in the manner in which the utilities procure goods and services, plan and undertake construction activities, and operate their businesses. Accordingly, the City respectfully recommends that the Board of Trustees engage an independent consultant to conduct a full review of NYPA's costs and processes via a management audit.

The Long-Term Agreement between the City and NYPA envisioned an annual process for setting the Cost-of-Service in which the City's concerns would be fairly and reasonably considered, and adjustments would be made as appropriate. Since 2005, the City has engaged in earnest reviews of the Cost-of-Service and in extensive discussions with NYPA Staff to understand the justification and rationale for the fixed cost items and cost levels. Where warranted, the City has raised concerns regarding the cost items in formal comments to the Board of Trustees. Despite the City's efforts, most of the City's concerns are generally not addressed and most of the costs that it has questioned have remained unchanged. From this perspective alone, the City looks forward to a future process that is more transparent and provides a better opportunity for setting rates that are fair and reasonable.

PROCEDURAL SETTING

In 2014, with the concurrence from the NYCGCs, NYPA modified the process for development of the 2015 Cost-of-Service. A "*Preliminary Staff Report – New York City Governmental Customers Annual Planning and Pricing Process Analysis, Including: Preliminary 2015 Cost-of-Service (Base Variable Cost)*" was provided to the NYCGCs on July 7, 2014. As its name implies, that Report addressed only the variable cost aspects of the 2015 Cost-of-Service. It was used to assist NYPA and the NYCGCs in formulating their procurement plans for energy, capacity, and ancillary services for 2015.

On October 23, 2014, NYPA shared with the NYCGCs some of the figures that comprise the fixed cost portion of the 2015 Cost-of-Service. That information was updated on November 21, 2014. Then, on December 19, 2014, NYPA provided a "*Staff Report New York City Governmental Customers Annual Planning and Pricing Process Analysis, Including the Preliminary 2015 Cost-of-Service*" ("Preliminary Report") to the NYCGCs. Discovery on the

fixed cost information began shortly after the figures were provided in late October and continued through the end of January.

Additionally, NYPA revised the presentation of certain fixed cost information to match other publicly available NYPA documents, such as its Operating Budget. These changes allowed the City to directly compare the Cost-of-Service information to the budget information presented to the Board of Trustees. Overall, this approach was an improvement to the process compared to prior years.

On December 16, 2014, the Board of Trustees approved a 2015 Operating Budget for NYPA and issuance of the Preliminary Report. A Notice of Proposed Rulemaking related to the 2015 Cost-of-Service was published in the January 7, 2015 edition of the New York State Register, making the deadline for public comments February 23, 2015.

Pursuant to the notice and the procedure set forth in the Long-Term Agreement between the City and NYPA, the City submits these comments on the fixed cost portion of the 2015 Cost-of-Service.

COMMENTS

POINT I

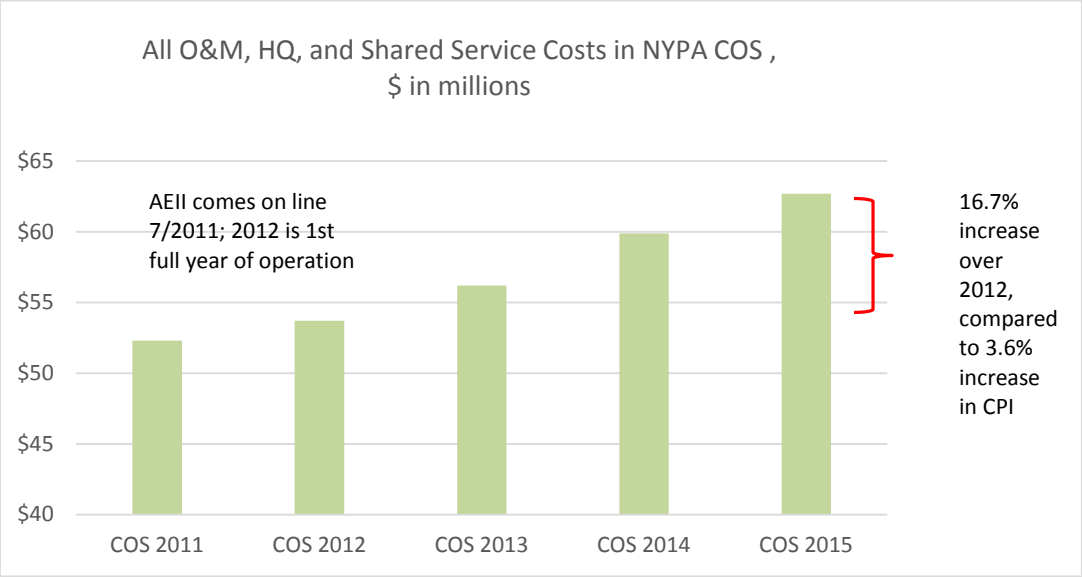
THE RATE OF INCREASE OF THE FIXED COSTS IS EXCESSIVE AND UNREASONABLE

Over the past few years, the City and other NYCGCs have had productive discussions with NYPA Staff regarding the management of the NYCGCs' supply portfolio and risk mitigation/hedging activities. These efforts, combined with lower natural gas and energy prices, have led to significant declines in the variable cost portion of the NYCGCs' Cost-of-Service. However, the same cannot be said for the portion of fixed costs of the NYCGCs' Cost-of-Service under the direct control of NYPA. As shown in Table 1, that part of NYPA's fixed costs have

grown considerably over the past five years – more than 4.5 times greater than the Consumer Price Index over the same period.

Table 1

Growth in Fixed Costs for NYCGCs



The information provided by NYPA over the past few months does not support or justify these rate increases. Indeed, in many instances, the information primarily raises more questions than it answers. Although not a large dollar amount, a glaring example of the deficiency of the process pertains to the charge for demand side management. NYPA offered multiple justifications for this charge, but none have merit. The City believes that there are many items included in the Cost-of-Service that similarly cannot be justified as incurred to serve the NYCGCs. The inclusion of such items has inappropriately inflated the Cost-of-Service.

A. NYPA Staff And The Board Of Trustees Are Not Properly Determining The Reasonableness Of The Fixed Costs

Each year, the City submits comments to the Board of Trustees raising concerns with the level of fixed costs included in the Cost-of-Service. The analysis of the City's arguments, as set forth in the minutes from the Board of Trustees meetings at which the comments are considered, often only tangentially respond to the specific issues raised. In many instances, the analysis contains only a statement of the overall benefits provided by NYPA, or a comparison to the rates the NYCGCs would otherwise pay as full-service customers of Consolidated Edison Company of New York, Inc., rather than a response to the City's concerns or a justification of the disputed cost item. The failure to properly consider and address the City's concerns diminishes the validity of the Cost-of-Service process, and it demonstrates that the current structure must be substantially revised.

The Cost-of-Service process is akin to a regulated utility ratemaking process but with one substantial difference. In a rate case, a utility develops its cost projections for the rate year(s) at issue, presents those costs and the corresponding rates to the PSC and interested parties, there is a review process of the costs, and the PSC makes a final decision as to the level of the costs to be recovered from the utility's customers. Here, the intent of the Cost-of-Service process, as set forth in the Long-Term Agreement, is the same.[1]

NYPA is required to develop its cost projections for the subsequent year, present its costs to the NYCGCs, allow for review of and comment on the costs, and the Board of Trustees makes the final decision. The one substantial difference in this process is that the same NYPA Staff

[1] *See, e.g.*, Section II.B.1.a of the Long-Term Agreement, which provides, in part "[f]ixed costs will include only those costs justified on the basis of cost causation principles, shall be consistent with accepted regulatory COS methodologies, and can be changed only through a rate case filing in accordance with SAPA."

who initially develop the costs also review the City's comments and recommend what the final costs should be.[2]

In both the rate case and the Cost-of-Service process, the development of the cost projections and rates are performed on a bottoms-up basis. That is, costs are developed on a line-item basis, then grouped into different categories, then summed to determine the total revenue requirement. Thus, in determining the final Cost-of-Service, the relevant consideration is whether the costs are properly justified, reasonable, and appropriate.

Turning to the overall level of fixed costs proposed for 2015, the City respectfully submits that the continual year-over-year increases, at more than four times the rate consumer prices are increasing in general, for the non-debt-service portion of fixed costs, is not reasonable or justifiable. The excessive costs charged to the NYCGCs include the following.

B. Personnel Costs Are Excessive

Figure 2 of the Preliminary Report includes a cost of $4.1 million in site payroll for the "Project" category "SENY," which NYPA has explained means personnel who are assigned to work on SENY matters.[3] In total, there are 30 full-time equivalent positions assigned to "SENY." Although the City asked for details regarding what the assigned individuals do, such information was never provided. The NYCGCs are also charged $1.0 million for consultants and contracted services for "SENY." In addition, the NYCGCs are charged $17.8 million as an allocated share of NYPA's headquarters costs, which costs presumably include some allocation

[2] While the final decision is made by the Board of Trustees, the minutes from the Board meetings demonstrate that the Board defers completely to NYPA Staff on this matter. *See, e.g.*, Minutes of the Regular Meeting of the Power Authority of the State of New York, dated January 28, 2014 ("2014 Minutes").

[3] Of this amount, $3.9 million is charged to the NYCGCs.

of NYPA headquarters staff who provide services to the NYCGCs,[4] and $2.1 million for site payroll, consultants, and NYPA headquarters staff for the Project category "AEII." Managing the non-plant aspects of a supply portfolio and performing customer service and billing and accounting functions, without need to read meters, should not require 30 full-time equivalents plus an unstated number of allocated headquarters staff, consultants, and contractors.

Figure 2 of the Preliminary Report also includes a cost of $4.5 million in site payroll plus $1.7 million for consultants and contracted services for four small hydroelectric facilities ("small hydros").[5] In total, there are 31 full-time equivalent people assigned to the small hydros. NYPA has confirmed that none of the four small hydros are staffed on a full-time basis. While there are both routine and non-recurring maintenance activities required at each hydro, NYPA has also explained that an unspecified percentage of such tasks are performed by consultants and contractors. Therefore, it defies credulity that NYPA needs 31 people to partially maintain four small hydros on a periodic basis. As with the SENY category, NYPA has not provided any information to the NYCGCs to justify the reasonableness of these labor and consultant costs.

C. Greater Assessment And Scrutiny Of Capital Investments In The Small Hydros Are Needed

The concerns with the excessive labor costs for the small hydros are exacerbated by the fact that such facilities cost the NYCGCs more to operate each year than the revenues they produce. Last year, the City disputed the reasonableness of spending hundreds of thousands of dollars to rebuild the Jarvis facility, a project that continues into 2015. In response, NYPA Staff

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[4] As noted in footnote 1, the Long-Term Agreement requires the fixed costs to be limited to those costs incurred by NYPA to provide service to the NYCGCs. In the event the headquarters cost allocation does not reflect staff costs incurred to serve the NYCGCs, the inclusion of such costs is improper.

[5] The small hydros include Ashokan (4.75 MW), Crescent (9.95 MW), Jarvis (9.0 MW), and Vischer Ferry (9.95 MW).

acknowledged that the facilities are not economic, but that it has a responsibility to maintain the facilities as part of the NYCGCs' supply portfolio.[6]

Even though NYPA recognizes that the small hydros are uneconomic, it has never approached the NYCGCs to determine whether they want NYPA to continue to maintain the facilities. Such a discussion should occur, and all of the costs and benefits of the small hydros should be evaluated, before further capital investments are made in these facilities.

To ensure that there is no confusion about the City's position on the Jarvis rebuild, the City renews its comments from last year. As happened last year, this year NYPA again failed to justify why it needs to reverse engineer the equipment in order to fabricate replacements or why it could not procure replacement parts from the original equipment manufacturer. Further, rebuilding a turbine is not a routine maintenance item; based on the description provided by NYPA, this work appears to be a major capital investment in the plant. As such, the costs of the work should be amortized over time.

Last year, NYPA Staff responded to the City's comments by claiming that "NYPA follows standard accounting and utility practice when determining whether an expenditure is a 'capital' or 'maintenance' expense."[7] That assertion was not correct. In New York and elsewhere, utilities follow the Uniform System of Accounts; NYPA does not. Under the Uniform System of Accounts, the reconstruction of the Jarvis facility's equipment would not be classified as a maintenance expense. For these reasons, NYPA is not following standard utility accounting practices.

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[6] 2014 Minutes, pp. 41-42. The comment about the value of the entire portfolio in no way justifies continuation of these uneconomic units. Indeed, the portfolio would be more valuable without them.

[7] 2014 Minutes, p. 42.

For 2015, the City notes as well that there is a project to repaint and, as necessary, replace the tainter gates at the Crescent facility.[8] While the repainting is properly considered a maintenance expense, the replacement of the gate is not – that would be a capital investment under the Uniform System of Accounts. NYPA did not provide a breakdown of the costs for each aspect of this project, so the City cannot identify the amount by which the 2015 Cost-of-Service should be reduced. For both the Jarvis and Crescent projects, the Board of Trustees should direct NYPA Staff to determine and make the requisite adjustments to the fixed costs.

More importantly, before the Board of Trustees approves either project, it should require NYPA Staff to prepare and present cost-benefit analyses for the projects. The decision to proceed should not occur until the analyses are completed, the broader evaluation discussed above is conducted, and the NYCGCs are given the opportunity to provide meaningful input into the matter.

D. The Interest Rates Charged To The NYCGCs Are Not Consistent With The Requirements Of The Long-Term Agreement

The interest rates NYPA charges to the NYCGCs are excessive and inappropriate. These include alleged "lost opportunity" costs and the variable debt service expenses, including the commercial paper interest rate. According to NYPA's "*2015-2018 Approved Budget and Financial Plan*," its assumed interest rate on commercial paper in 2015 is only 0.75% (and only 1.00% for 2016). However, NYPA is charging the NYCGCs between 4.5% and 6.5% for commercial paper debt service expense.

Last year, the City objected to these interest rates charged by NYPA. In response, NYPA Staff asserted that such rates were essentially locked-in when the Long-Term Agreement was

[8] *See* "2015 Non-Recurring Tasks" document, provided by NYPA on November 21, 2014, p. 2.

executed in 2005. NYPA Staff offered no citation to any provision in the Long-Term Agreement or other factual basis to support that assertion. The City submits that NYPA Staff's position is without merit as there is no contractual or factual basis for it. The Long-Term Agreement did not freeze short-term variable interest rates at their 2005 levels. In fact, NYPA Staff's position is inconsistent with the express terms of the Long-Term Agreement – when NYPA's commercial paper interest rate is only 0.75%, inclusion of interest rates that are above NYPA's actual rate cannot be costs "reasonably incurred to provide service to the [NYCGCs]," as required by Section II.B.1.a of the Long-Term Agreement.

The City acknowledges that NYPA uses a variety of debt instruments, and their interest rates vary and can be higher than the commercial paper rate. Accordingly, the City has recalculated the fixed costs using interest rates of 2% and 3% for those items for which interest was included, other than fixed debt instruments. The result is a reduction in the overall fixed costs of $6.02 million at the 2% rate and $4.00 million at the 3% rate. For 2015, the City therefore asserts that the fixed costs should be reduced by $6 million, but not less than $4 million, to reflect the actual costs that will incurred by NYPA in 2015.

E. <u>The Use Of Consultants And Contractors Should Be Reduced</u>

Absent clear justification, the increase in the use of consultants and contracted services is unjustified and should be rejected. The City has raised numerous concerns over the past few years regarding these cost categories. For 2015, the costs for these two categories have increased dramatically. Compared to 2014, the costs for contracted services are higher by more than 35% and the cost for consultants is higher by almost 82%. Compared to the average over the prior four years, the increases are about 46% and 66%, respectively. In the same manner that Con

Edison, other utilities, and many businesses in New York and across the nation have become more efficient and reduced spending, so too must NYPA.

Moreover, NYPA's attempted justification for the use of contractors and consultants was inadequate. For example, NYPA stated that it retains both contractors and consultants to perform recurring maintenance work.[9] However, NYPA did not provide any explanation as to why it could not perform such maintenance work with the 31 full-time equivalents assigned to the small hydros or the 1,075 NYPA employees assigned to operations, and it did not explain why it needs both contractors and consultants to perform maintenance work. Over $8 million is included in the fixed costs for these tasks, but there is nothing in the Preliminary Report, discovery responses, or other information provided by NYPA to the NYCGCs to justify this level of spending.

More broadly, NYPA has not justified the overall expenses for these cost categories, or why the level of expenses has increased so substantially.[10] Because the City was not given a complete breakdown of these costs, it was not able to properly review the composition of these cost items and cannot offer comments on the merits of any particular consultant or contractor expense. Given the lack of justification, at a minimum, the overall costs should be reduced to be in line with prior years. Doing so results in a reduction in contracted services costs of $4 million and in consultant costs of $800,000.

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[9] NYPA responses to NYC IRs 29a and 30b.

[10] For example, in response to a request by the City for justification of the contracted services expenses, NYPA did not provide a complete explanation for the increase in those expenses. NYPA response to NYC IR 29a. A mere reference to a "majority" of the increase is unduly vague as 51% could constitute a majority of expense, leaving 49% of the increase unjustified. Because NYPA provided no allocation of the expenses to different projects or facilities, the response is insufficient to satisfy the justification requirement of the Long-Term Agreement.

It is possible that deeper reductions would be appropriate. The City urges the Board of Trustees to carefully examine these costs before approving the 2015 Cost-of-Service.

F. Vehicle-Related Costs Are Unjustified And Excessive

In order to better understand why the fixed costs are increasing at such a high level, the City this year attempted to engage in a fuller assessment of capital costs recovered from the NYCGCs than it had in past years. NYPA explained that it segregates the capital investments for the 500 MW unit into five categories – other, vehicle, forklift, spare transformers, and summer 2008 outage. While most of the capital costs are in the "other" category, costs in the "vehicle" category stood out. The documentation provided by NYPA in support of its response to NYC IR 14 reveals that since 2006, NYPA has purchased 17 vehicles other than forklifts for the 500 MW unit and Poletti.[11] Considering that Poletti ceased operating in 2008, presumably NYPA is not continuing to make capital investments in a closed facility (if it is, that raises a separate set of concerns). Inasmuch as the 500 MW unit is a single, fixed location facility, 17 vehicles to operate that site seems excessive.

As noted above, the Long-Term Agreement requires that the fixed costs in the Cost-of-Service must encompass only those costs reasonably needed to provide service to the NYCGCs. NYPA has not justified the need for 17 vehicles at the 500 MW unit. Therefore, these costs, which amount to over $777,000, should be removed from the Cost-of-Service, or the amount included should be substantially reduced to encompass only one or two vehicles.[12]

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[11] The inventory includes four cars, six trucks, six sport utility vehicles, and one van.

[12] Because the cost of the vehicles is capitalized and recovered over five year periods, the Cost-of-Service reflects only a portion of the total capital cost. The Board of Trustees should direct NYPA Staff to calculate the total amount charged to the NYCGCs in the 2015 Cost-of-Service and remove that amount from the fixed costs. Going forward, these capital costs should be removed from the development of the fixed costs altogether.

G. The Black Start Charges Must Be Reviewed

The same documentation discussed above also shows that the NYCGCs have been charged a total of $726,785 for black start equipment at the 500 MW unit since 2008. These charges are curious because the 500 MW unit does not possess black start capability.

If the 500 MW unit has such capability, it should have been participating in the NYISO's black start program and receiving revenues under the NYISO's Rate Schedule 5. However, none of the figures that comprise the 2015 Cost-of-Service (or any of the other Costs-of-Service since 2008) show any black start revenues as being received from the NYISO. Moreover, the City has been very active in discussions at the NYISO regarding the black start program in New York City, and one of the program participants' complaints has been that none of the recent entrants, including the 500 MW unit, have black start capability. NYPA has also participated in these discussions, but it never refuted these complaints or otherwise asserted that the 500 MW unit has black start capability.

Unless NYPA can demonstrate that these charges relate definitely to near-term black start capability at the 500 MW unit, the costs should be removed.[13]

H. The Treatment Of Spare Parts Is Inconsistent

Over the past few years, the City has objected to the inclusion of a charge in the fixed costs related to obsolete materials and supplies acquired for, but never used at, Poletti. NYPA claimed that it was carrying the costs of such parts and supplies on its books, that the NYCGCs would be charged such costs when the parts were placed into service, and that the NYCGCs

[13] As with the vehicle costs, the carrying charges should be subtracted from the 2015 Cost-of-Service, and the capital costs should be removed from the development of future years' Costs-of-Service.

therefore should compensate NYPA for the costs of such parts. Implicit in that explanation is that the NYCGCs were not being charged when NYPA acquired the inventory.

However, at the 500 MW unit, it appears that NYPA is not following the same procedure. As noted above, one of the categories of capital costs charged to the NYCGCs pertains to spare transformers. Since 2008, NYPA has incurred capital costs of over $4.5 million for these presumably (as the category name indicates) spare parts. These costs are being depreciated over either 21 or 20 years, with the annual carrying charge included in the fixed costs.

NYPA has not provided any justification for the disparate treatment of these spare parts compared to the spare parts from Poletti, and the City cannot discern any reason for the inconsistent approaches. Therefore, the carrying costs for the spare transformers should be removed from the 2015 Cost-of-Service, and those capital costs should be removed from the development of future years' Costs-of-Service. Conversely, if the treatment of the costs of these spare parts is consistent with NYPA's accounting practices, then NYPA has been double-charging the NYCGCs for the Poletti materials and supplies inventory, and all historical and current charges for such inventory must be reversed and the NYCGCs credited for those improper charges.

POINT II

NYPA SHOULD EXTEND THE RECOVERY PERIOD FOR THE 500 MW UNIT'S FIXED RATE DEBT SERVICE EXPENSE

For the last two years, the City has asked the Board of Trustees to improve the economics of the 500 MW unit by restructuring the unit's debt service expense to more closely reflect the expected life of the unit. The City appreciates that the Board favorably considered a part of this request and extended the recovery period for the variable rate debt service expense. That action helped, but additional adjustments are warranted.

As noted above, NYPA Staff has asserted that it adheres to standard utility accounting practices. Under standard utility accounting practices, the capital investment in a facility is recovered over its entire life, commencing with the date it commences operation. Here, NYPA will recover much of its investment in a power plant over of period of up to 17 years even though its life span is expected to be 30 years or more. This expedited recovery is demonstrated by the schedules in the Preliminary Report; other information suggests that NYPA will recover its entire investment over this condensed time period.[14]

In response to the City's previous comments on this subject, neither NYPA Staff nor the Board of Trustees has offered any reason why recovery over a compressed time period of about one-half of the 500 MW unit's expected service life is reasonable or required. This year as well, the Preliminary Report contains no explanation as to the reason for the expedited recovery.

The economics of the 500 MW unit would be enhanced if the fixed rate debt service expense is restructured to match the life of the plant. The detailed justification for doing so was provided by the City in the December 17, 2012 comments submitted jointly with the other NYCGCs on the 2013 Cost-of-Service. That justification remains equally relevant this year, and in the interests of brevity, it is incorporated herein by reference.[15]

NYPA Staff's analysis of this request last year was limited to a statement that the request would increase NYPA's risks.[16] NYPA Staff did not provide any details regarding the extent to

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[14] The 500 MW unit commenced commercial operations in 2006. One ratings agency, Moody's, has reported that NYPA will retire its debt related to the 500 MW unit by 2017. *See* "Moody's affirms P-1 short-term rating on the New York State Power Authority's commercial paper notes," dated December 6, 2013, p. 2. Based on information in the Preliminary Report, the City estimates that NYPA will have recovered more than 75% of the original cost by 2017 – an amount that is far larger than what any regulated utility in New York would have recovered over the same time period.

[15] Copies of the relevant pages from the 2012 comments are included in Appendix A.

[16] 2014 Minutes, p. 43.

which it believed NYPA's risks would increase, nor did it provide any justification for the accelerated cost recovery that now exists.

Regardless of what happens after the Long-Term Agreement expires in 2017, NYPA will continue to own the 500 MW unit, and it can bid the plant's output into the NYISO's wholesale markets. NYPA will receive energy, capacity, and ancillary service revenues for that output. Thus, NYPA's risk will be no greater than the risk experienced by other suppliers in the NYISO's in-City wholesale markets, and any claim that NYPA would be unable to recover its costs would be baseless.

Indeed, NYPA Staff's claim is disproven by an examination of the market prices it would receive for the sale of the 500 MW unit's output. The City conducted an analysis of the potential impacts of its proposal, and whether NYPA would experience any real risk of not recovering its investment in the 500 MW unit. That analysis revealed that NYPA would need capacity revenues of between $4/kW-month and $8/kW-month to fully recover its costs over the expected life of the 500 MW unit. The winter spot market price for in-City installed capacity is above $8/kW-month, and the summer prices have been more than double the $8/kW-month level. Even with new supply projects that are proposed for New York City, future clearing prices are not projected to decline to levels that would prevent NYPA from recovering its costs. Thus, the facts demonstrate that there is little to no risk of NYPA not recovering its costs if the City's requested relief were to be granted.

In contrast, the savings to the NYCGCs associated with matching the debt service to the service life of the 500 MW unit would yield annual savings to the Cost-of-Service of approximately $20 million per year. This value estimate was derived largely from the difference between the interest rates applicable to the existing Series C 2007 and Series A 2011 bonds and

the interest rates available to NYPA at present. Based on prior discovery responses, the City understands that the outstanding bonds cannot be refinanced, and the City is not proposing that they be refinanced. However, NYPA has multiple available methods of extending the investment recovery period without adversely impacting these fixed debt instruments. Put another way, there is no reason why NYPA needs to tie the charges to the NYCGCs for cost recovery for the 500 MW unit directly to the costs NYPA incurs under these two bond issuances.

With the exceptionally low interest rate market, a defeasance would be particularly worthwhile as it would result in substantial interest rate savings. To develop its savings estimate, the City assumed that the defeasance would be funded by a new municipal bond issuance with the proceeds invested in U.S. Treasury securities. As those securities mature, they would produce annual cash flows sufficient to pay the annual debt service on the existing bonds. The Cost-of-Service savings are derived from the difference in the annual debt service on the new issuance and the debt service on the Series C and A bonds.

The Long-Term Agreement does not require the NYCGCs to shield NYPA from all risk or to fully compensate NYPA for all of its capital investments within the term of the Agreement, and it is unreasonable for NYPA to inflate the fixed cost portion of the Cost-of-Service to eliminate all of its risk and to so expeditiously recover those investments. For all of the foregoing reasons, the City respectfully requests that, consistent with standard utility accounting principles, the Board of Trustees extend the recovery period for the fixed rate debt service expense to no less than 30 years and reduce the 2015 Cost-of-Service by $20 million.

POINT III

THE DSM CHARGE SHOULD BE ELIMINATED

While the City does not usually file Comments objecting to smaller fixed cost items, the circumstances surrounding the Demand Side Management ("DSM") charge warrant specific mention. Since at least 2007, and possibly earlier, one of the items of "Other Expense" charged to the NYCGCs was a DSM charge of either $400,000 or $500,000. In the 2007 Cost-of-Service, the DSM charge was included in Figure 11. Since 2008, it has been included on Figure 5.

The City believed that at one time, DSM charges derived from NYPA's Peak Load program costs. This year, the City inquired about the purpose of this charge. NYPA provided two different sets of answers, neither of which is meritorious.[17] NYPA's current claim is that the costs are an allocation of costs for renewable energy and clean energy project charges (neither of which can be considered DSM-related). In support of this claim, NYPA provided an itemization of past projects; the largest in 2014 was Build Smart New York, which is for state buildings. Most of the projects on the list are location-specific and should be paid for by the customers who directly benefit from them.

Section II.B.1.a of the Long Term Agreement provides that the fixed costs "must be justified as reasonably incurred to provide service to the [NYCGCs]." Clearly, the costs of renewable energy projects undertaken for municipalities and other NYPA customers outside of the New York City area could not have been incurred to provide service to the NYCGCs, nor can they be considered DSM costs. As such, even under NYPA's new rationale, the costs are not properly included in the NYCGCs' Cost-of-Service.

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[17] *See* NYPA response to NYC IR 17b, provided December 10, 2014 and January 5, 2015, and Action Items for Jan. 7, 2015 COS Meeting – update 013015, response to NYC IR 17.

Accordingly, the Board of Trustees should (i) remove the $400,000 DSM charge from the 2015 Cost-of-Service, and (ii) provide a credit to the NYCGCs equal to the total DSM charge included in past years' Costs-of-Service.

POINT IV

RESEARCH AND DEVELOPMENT COSTS SHOULD NOT BE ALLOCATED VIA LABOR RATIOS

As part of its review of the fixed costs, the City inquired about the research and development ("R&D") programs that comprise the $8.8 million amount included on Figure 3 of the Preliminary Report. NYPA explained that the R&D costs generally comprise three categories – membership dues to the Electric Power Research Institute, payments to the New York State Energy Research and Development Authority, and R&D projects undertaken by NYPA – and are allocated amongst its operating organizations on a labor ratio basis.[18] NYPA also provided a brief summary of the general types of its R&D projects.[19]

A review of this summary reveals that it is improper to allocate the R&D costs on a labor ratio basis. The summary makes clear that the R&D projects are specifically related to individual operating organizations and can easily be allocated to those organizations. Moreover, a labor ratio-based allocation is inconsistent with the requirement in the Long-Term Agreement that the fixed costs must be "reasonably incurred to provide service to the [NYCGCs]." Many of the R&D projects have no direct relationship to NYPA's responsibilities under the Long-Term Agreement. For those projects, NYPA therefore has no valid basis to allocate their costs, in whole or in part, to the NYCGCs.

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[18] NYPA response to NYC IR 22b and 22d.

[19] Action Items for Jan. 7, 2015 COS Meeting – update 013015, response to NYC IR 22b.

Because NYPA did not provide the costs associated with each project or type of project, the City cannot provide a calculation of the amount it is being overcharged. Inasmuch as NYPA Staff has, or should have, such information, the Board of Trustees should direct NYPA Staff to revise the allocation to be consistent with the Long-Term Agreement and adjust the fixed costs correspondingly.

POINT V

POLETTI DECOMMISSIONING COSTS CONTINUE TO BE A CONCERN

In prior years, the City has submitted extensive comments regarding the decommissioning costs for Poletti. For the most part, NYPA Staff and the Board of Trustees have disregarded these comments. Last year, NYPA Staff advised the Board of Trustees that the decommissioning budget was $47 million, and some "slight movement" was to be expected.[20] In response to the City's claim that the decommissioning charge for the 500 MW unit was too high and unsubstantiated, NYPA Staff observed that the decommissioning estimate was developed, reviewed, and adjusted by NYPA's Cost Estimation group, "which has decades of valuation experience with NYPA generation and transmission assets."[21]

In 2014, NYPA advised the NYCGCs that the Poletti decommissioning costs were escalating substantially, that it had already exceeded its contingency budget by $2.7 million, and that it was adding another $11.3 million of costs to the project.[22] While the City recognizes that some changes to pre-established plans can arise when those plans are executed, the magnitude of the changes appear to support the City's continued assertions that NYPA did not properly or

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[20] 2014 Minutes, p. 44.

[21] *Id.*

[22] "*Poletti Project Decommissioning Cost Update*," provided on November 21, 2014.

prudently plan the decommissioning of Poletti, and that had it prepared a complete decommissioning plan ***before*** commencing the work, at least some of these additional costs could have been avoided. Further, given the decades of experience of the group responsible for developing the decommissioning costs, it is reasonable to assume that the group should have been better able to forecast the decommissioning costs and needs and more accurately plan the decommissioning process.

The City was not given sufficient information to perform a proper engineering review of the initial plans, the reason for the changes, or the reasonableness of NYPA's assumptions. Whether and to what extent the additional charges could have been avoided is not known. Therefore, under the circumstances, the City believes that NYPA should accept some of the responsibility for these changes and absorb a portion of the cost overruns. An equal division of those additional costs would be fair, resulting in a reduction in the decommissioning costs of $8 million.[23]

POINT VI

THE AMOUNTS CHARGED FOR DEPRECIATION SHOULD BE REVIEWED

As part of its review of the fixed costs this year, the City examined into the manner in which NYPA recovers its capital investments. The City now has a better understanding of NYPA's approach, but its review raised a few questions that warrant further analysis by NYPA.

First, as a result of the City's questions, NYPA reviewed its capital additional summary for Poletti and the 500 MW unit. That review resulted in a series of adjustments. In explaining

[23] Inasmuch as NYPA charges the NYCGCs a fixed amount each year for the decommissioning expense, this adjustment would reduce the total amount owed, but not necessarily the annual charge.

this matter to the NYCGCs, NYPA asserted that it had been undercollecting its depreciation expenses.[24] However, the information supporting this statement, provided in the fourth sheet of the same document, indicates that NYPA was slightly overcollecting its depreciation expenses. The City could not reconcile the information provided and respectfully requests that the Board of Trustees direct NYPA Staff to review its calculations and ensure that the NYCGCs are not overcharged.

Second, the City requested information regarding the difference between minor additions and capital additions. NYPA explained that additions under $750,000 are considered "minor" and additions over that amount are considered "capital."[25] However, the City's review of the documentation provided by NYPA revealed that this definition is not consistently applied.[26] The City could not discern the reason for the differences between the definitional distinction and the actual treatment of some investments (summing the costs of projects that spanned multiple years provided only a partial explanation). Because of the differences in the manner in which minor and capital additions are recovered, it is important that the definition be properly applied. Accordingly, the City respectfully requests that the Board of Trustees direct NYPA Staff to review this matter and ensure that the NYCGCs are not overcharged.

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[24] *See* "Capital Recovery Charges," first sheet, provided by NYPA on January 16, 2015 (the document was entitled "Explanations.xlsx").

[25] NYPA response to NYC IR 14.

[26] *See, e.g.*, "Customer Additions Customer Template," sheets "Capital Additions" and "Minor Additions," provided by NYPA on January 16, 2015.

POINT VII

NYPA SHOULD ENGAGE IN A COMPREHENSIVE REVIEW AND AUDIT OF ITS MANAGEMENT AND OPERATIONS

Under Public Service Law §66(19), the PSC is required to perform a comprehensive audit of the management and operations of each of the major electric and gas utilities at least once every five years. That law also requires the PSC to review the utilities' compliance with the recommendations from the audits every time the utilities seek new rates.

The PSC ceased performing such audits in the early 1990s, and utility rates rose dramatically over the next 15 or so years. Utility costs similarly grew, and many questions were raised about the efficiency of the utilities' procurement and construction practices and operations. Starting in 2008, the PSC resumed performing audits under Public Service Law §66(19). The results have been striking.

The first audit performed was of Con Edison.[27] The audit revealed extensive inefficiencies, mismanagement and poor management, sub-standard procurement practices, and other problems. The PSC directed Con Edison to implement the many recommendations in the audit. When the utility did so, it was able to reduce its capital spending and operations and maintenance expenses by hundreds of millions of dollars. These savings inured directly to the utility's customers. In part because of the audit, Con Edison's rates have been essentially flat since 2012.

In contrast, as shown in Table 1, the portion of NYPA's fixed costs excluding debt service for the NYCGCs have increased each year since 2012, in total by 16.7%. The Consumer Price Index over the same time period has grown by only 3.6%. As discussed herein, the

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[27] *See* PSC Case 08-M-0152, Comprehensive Management Audit of Consolidated Edison Company of New York, Inc.

information provided by NYPA in support of the proposed 2015 fixed costs suggests many of the same problems and inefficiencies identified in the Con Edison Management Audit

The City recognizes that NYPA is not governed by Public Service Law §66(19) and is under no legal obligation to perform a management or operational audit. But, there is no prohibition under NYPA's enabling legislation in the Public Authorities Law against such audits, and the value of the utility audits performed to date are indisputable.

NYPA and its Board of Trustees should embrace the concept of a management audit, and they should commission one as soon as possible.[28] And like the audits performed by the PSC, it is essential that the audit be independent, and that the auditors be given the ability to review any and all records and access to all personnel and contractors. Given NYPA's public responsibilities and customer base, it should want to become more efficient and lower its operating costs.

The likely savings from the audit would more than justify the cost of the audit. Moreover, the audit would give the City, NYCGCs, and other NYPA customers confidence that the costs levied on them are reasonable and legitimate. For all of the foregoing reasons, the City respectfully urges the Board of Trustees to direct the performance of a management audit of NYPA's practices and operations.

[28] The audits NYPA performs now, using both internal and external resources, are not the same as a management/operational audit, and they do not serve the same, or similar purposes.

CONCLUSION

The City respectfully requests that the NYPA Board of Trustees adjust the level of fixed costs for the 2015 Cost-of-Service and adopt other changes in accordance with the discussion and recommendations set forth herein.

Respectfully submitted,

Dated: February 23, 2015
Albany, New York

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APPENDIX A

POWER AUTHORITY
OF THE STATE OF NEW YORK

Rates for the Sale of Power and Energy **SAPA No. PAS-41-12-00009-P**

COMMENTS OF THE CITY OF NEW YORK, METROPOLITAN TRANSPORTATION AUTHORITY, NEW YORK CITY HOUSING AUTHORITY, NEW YORK STATE OFFICE OF GENERAL SERVICES, AND PORT AUTHORITY OF NEW YORK AND NEW JERSEY

December 17, 2012

COUCH WHITE, LLP
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ALBANY, NEW YORK 12207
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Table 1 500 MW Facility Actual/Projected Annual Net Costs/(Benefits) ($ Millions)			
Year	Revenues & Capacity Value	Fuel & Fixed Costs	Net Cost/(Benefit)
2010 (Actual)	(227.4)	232.8	5.4
2011 (Actual)	(209.7)	229.1	19.4
2012 (Projected)	(177.1)	230.2	53.1
2013 (Projected)	(203.9)	214.9	11.0

The Board should not be satisfied with the recent financial performance of the 500 MW facility. The NYCGCs have carefully reviewed the information in the Preliminary Report, and other information provided by NYPA over the past few years, to determine changes that could be made to improve the economics of the 500 MW facility. Aside from operational changes,[4] the NYCGCs have determined that one critical change – extending the debt repayment terms to the projected service life of the 500 MW facility – is not only consistent with industry standard but would materially benefit the economic performance of the facility.

2. The Board Should Adjust The Debt Service Repayment Terms Of The 500 MW Facility To Match Its Projected Service Life

One of the most common depreciation methods used throughout the industry, and by NYPA, for calculating depreciation expense is the straight-line depreciation method. In support of its recent request to the Federal Energy Regulatory Commission ("FERC") for an

[4] The NYCGCs continue to believe that cycling the plant to better follow market demand would improve the economics of the facility substantially.

increase in its transmission revenue requirement,[5] NYPA submitted sworn direct testimony of Thomas A. Davis, its Vice President of Financial Planning & Budgets. At page 12, line 7 of his testimony, Mr. Davis stated without qualification or limitation that "NYPA uses the straight line method of depreciation expense."

It is a generally accepted principle of utility ratemaking that when using the straight-line depreciation method, an asset's capital costs are amortized over the asset's projected service life. *See, e.g.*, Bonbright, *et al.*, Principles of Public Utility Rates, 2d Ed., Public Utilities Reports, Inc., 1988, pp. 276-277; Phillips, The Regulation of Public Utilities, Public Utilities Reports, Inc., 1993, pp. 271-272; *Federal Power Commn. v. Memphis Light, Gas & Water Div.*, 411 U.S. 458, fn 1 (1973) ("Under the straight-line method, the depreciation allowance for an asset remains equal over its useful life"); *Lindheimer v. Ill. Bell Tel. Co.*, 292 U.S. 151, 168 (1934) (Under the straight-line method of depreciation, "the annual depreciation charge is obtained by dividing the estimated service value by the number of years of estimated service life"); *R.J. Reynolds Tobacco Co. v. City of New York Dept. of Finance*, 237 A.D.2d 6, 7-8 (1st Dep't 1997) ("straight-line depreciation correlates with a pro rata depreciation over the useful life of the asset; the deduction is calculated by an equation that divides the asset's value, after a reduction for a postulated salvage value, by its useful life").

While NYPA appears to adhere to this principle for purposes of its transmission revenue requirement, as demonstrated by Mr. Davis' testimony and work papers, it is not doing so when calculating the recovery of the 500 MW facility debt service costs from the NYCGCs under the LTAs. Rather, for the NYCGCs, NYPA uses an accelerated depreciation approach, depreciating the 500 MW facility over a much shorter period of time. Figure 5B of the

[5] *New York Independent System Operator, Inc.*, Docket No. ER12-2317, "NYPA Revised Transmission Revenue Requirement" (dated July 27, 2012).

Preliminary Report indicates that the 500 MW facility has a projected service life of at least 25 years, with an "estimated retirement date" of May 1, 2030. However, Figures 4B through 4E of the Preliminary Report reveal that NYPA is recovering its debt service expense for the 500 MW facility from the NYCGCs over substantially shorter periods, ranging from 16 to 20 years. The last bond matures in 2025, well short of the asserted retirement date of the facility.

When questioned about this matter, NYPA claimed that it takes "a conservative approach with respect to the structure (tenor) of debt issued to support major generation and transmission assets."[6] The NYCGCs calculate that if NYPA acted in accordance with generally accepted depreciation principles, as upheld by the United States Supreme Court and New York courts, the debt service costs associated with the 500 MW facility would decrease by between $31.5 million and $37.7 million in 2013, depending on the service life used (discussed below).[7] Further, the use of straight line depreciation over an asset's entire service life – the approach NYPA uses for its transmission assets – assures intergeneration equity (*i.e.*, that future customers pay their fair share of the debt service costs associated with the 500 MW facility).[8] Accordingly, the NYCGCs strongly urge the Board to direct NYPA to revise the accounting methodology for recovery of the debt service expense associated with the 500 MW facility to apply straight-line depreciation over the entire projected service life associated with the facility.

As the Board considers this matter, the NYCGCs also request that the Board extend the projected service life, and the amortization period, applicable to the 500 MW facility

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[6] NYPA Response to City Request 31a, dated July 26, 2012.

[7] While the NYCGCs continue to disagree with NYPA's imposition of a lost opportunity cost rate on unrecovered costs over time, the NYCGCs included a 3.5 percent opportunity cost rate in its straight line depreciation calculation.

[8] NYPA's assertion that its approach results in interest rate savings is irrelevant because of intergeneration equity issue. Even with such savings, the NYCGCs are being subjected to more than their fair share of the costs of the 500 MW facility.

from 25 years to a minimum of 30 years. Such an extension is consistent with generally accepted practices within the electric industry and NYPA's submissions in its FERC transmission rate case.

The NYCGCs have researched publicly available information on projected service lives of natural gas-fired combined cycle generating facilities, similar to the 500 MW facility, and found no support for use of a 25-year service life. Rather, service lives of 30 to 40 years for such facilities are commonly used for many purposes (including depreciation). For example, in its development of the demand curves for the capacity markets, the New York Independent System Operator, Inc.'s expert consultants used a 30-year capital recovery period for all of the technologies it considered, including a Frame 7F unit.[9]

Moreover, a 30-year service life for the 500 MW facility is consistent with what NYPA presented in its pending FERC transmission rate case. Specifically, the information set forth in WP-2 to Mr. Davis' sworn testimony to the FERC indicates that NYPA is using a 30-year service life for the following accounts: boiler plant equipment (acct. 312), turbo generator units (acct. 314), fuel holders, producers, and accessory equipment (acct. 342), accessory electric equipment (acct. 345), and miscellaneous power plant equipment (acct. 346). In establishing the NYCGCs' Cost-of-Service, the NYCGCs are not aware of any legitimate reason for using different service lives for the same asset. The NYCGCs respectfully urge the Board to adopt the use of the same 30-year service life, and amortization period, for the 500 MW facility that NYPA has presented in its FERC transmission rate proceeding.

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9 *New York Independent System Operator, Inc.*, Docket No. ER11-2224, NYISO Tariff Filing, dated November 30, 2010, Attachment 2 – "Independent Study to Establish Parameters of the ICAP Demand Curve for the New York Independent System Operator", dated November 15, 2010, p. 59.

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "B"
NYPA Response Package

EXHIBIT "B"

2015 Operation & Maintenance Budget Explanation Package

On December 16, 2014, the Trustees approved the 2015 Operating & Maintenance Budget of $446.6 million ($473.9 million total, less the AEII lease payment of $27.4 million), which is broken out in the worksheet "2015 Trustee Approved Budget". $47.4 million of the overall $473.9 million in O&M expenses are for the Authority's new Strategic Initiatives, of which $13.5 million are recoverable from various cost of services at the authority. Of the $13.5 million, $897.4 thousand are allocated to the SENY customers, which is calculated as follows:

1) **"2015 Strategic Investments" breaks out the recoverable Strategic Initiatives vs. those classified as startup expenses.**

2) **"2015 Budget-COS" allocates the $13.5 million in recoverable Strategic Initiative costs to their appropriate line items within the O&M budget, and retains a separate line item for the remaining Startup Expenses (blue highlights). Highlighted in yellow are the direct O&M expenses attributable to SENY.**

3) **"Strategic Investments - NYC LTA" details the steps of how we go from the $13.5 million in total recoverable costs from the Strategic Initiatives to $897.4 thousand assigned to SENY.**

"Figure 2 Backup" and "Figure 3 Backup" show SENY's portion of Direct and Indirect O&M expenses:

"Figure 2 backup" totals the direct O&M expenses attributable to SENY from the "2015 Budget-COS" tab (yellow highlights), adjusted for the New York City customer portion of the overall SENY expenses and the Wood Group contracted costs.

"Figure 3 Backup" is a summary of the Headquarter Expenses and Research & Development costs from "2015 Budget-COS" (green highlights), and shows the calculation of the New York City customer portion by market segment/generator. These numbers are inclusive of the Strategic Initiatives.

Trustee Approved: 2015 O & M Budget by Organizational Area ($,000)

	2015 Budget
EXECUTIVE OFFICE	
Executive	1,417.6
Law	8,068.2
Internal Audit	4,750.1
Public & Regulatory Affairs	10,513.4
Office Total	**24,749.2**
BUSINESS SERVICES	
EVP Business Services	719.8
Budgets & Business Controls	2,005.0
Controller	5,590.5
Finance	1,091.2
Financial Planning	1,497.1
Treasury	1,189.1
Risk Management	3,079.6
Procurement	4,887.1
Strategic Management	1,054.0
Research & Development	1,268.9
Office Total	**22,382.4**
ENTERPRISE SHARED SERVICES	
SVP Enterprise Shared Services	267.6
Corporate Support Services	8,591.5
Fleet Management	1,317.6
Information Technology	27,831.4
Human Resources	5,970.5
Office Total	**43,978.7**
ENERGY MARKETING & BUSINESS DEVELOPMENT	
Energy Efficiency	0.0
Economic Development	598.0
Marketing Analysis & Administration	230.0
Customer Energy Solutions	0.0
Office Total	**828.0**

	2015 Budget
OPERATIONS	
Operations Headquarters	24,729.9
Blenheim-Gilboa	22,014.2
500MW	33,990.7
Flynn	18,456.5
SENY	5,194.8
SCPP	21,762.0
Niagara	61,891.3
St. Lawrence	34,152.2
Small Hydros	6,978.0
Transmission Lines	66,365.5
Astoria Energy II O&M	1,179.7
Office Total	**296,714.9**
Recharge New York	***1,733.9***
Research & Development	***8,775.2***
TOTAL before Lease/Invest.	**399,162.3**
Strategic Investment	**47,393.7**
Total before Lease	**446,556.0**
Astoria Energy II Lease	**27,420.0**
Grand Total	**473,976.0**

2015 Strategic Investments

Investments Recoverable in Various Cost of Services

($,000)

Smart Generation & Transmission	$	9,250
Asset Mangement	$	3,400
Workforce Planning	$	632
Knowedge Management	$	151
Process Excellence	$	100
Subtotal	$	13,533

Recoverable Portion

Startup Expenses for Strategic Investments

Customer Energy Solutions	$	25,511
Smart Generation & Transmission	$	8,350
Subtotal	$	33,861
Total	$	47,394

Preliminary COS Approved: 2015 O & M Budget by Organizational Area ($,000)

	2015 Budget
EXECUTIVE OFFICE	
Executive	1,417.6
Law	8,068.2
Internal Audit	4,750.1
Public & Regulatory Affairs	10,513.4
Office Total	**24,749.2**
BUSINESS SERVICES	
EVP Business Services	719.8
Budgets & Business Controls	2,005.0
Controller	5,590.5
Finance	1,091.2
Financial Planning	1,497.1
Treasury	1,189.1
Risk Management	3,079.6
Procurement	4,887.1
Strategic Management	3,154.0
Research & Development	1,268.9
Office Total	**24,482.4**
ENTERPRISE SHARED SERVICES	
SVP Enterprise Shared Services	267.6
Corporate Support Services	8,591.5
Fleet Management	1,317.6
Information Technology	27,831.4
Human Resources	6,753.5
Office Total	**44,761.7**
ENERGY MARKETING & BUSINESS DEVELOPMENT	
Energy Efficiency	0.0
Economic Development	598.0
Marketing Analysis & Administration	230.0
Customer Energy Solutions	0.0
Office Total	**828.0**

	2015 Budget
OPERATIONS	
Operations Headquarters	**28,029.9**
Blenheim-Gilboa	22,364.2
500MW	33,990.7
Flynn	18,456.5
SENY	5,194.8
SCPP	21,762.0
Niagara	61,891.3
St. Lawrence	34,152.2
Small Hydros	6,978.0
Transmission Lines	73,365.5
Astoria Energy II O&M	1,179.7
Office Total	**307,364.9**
Recharge New York	**1,733.9**
Research & Development	**8,775.2**
TOTAL before Lease/Invest.	**412,695.3**
Strategic Investment	**33,860.7**
Astoria Energy II Lease	**27,420.0**
Grand Total	**473,976.0**

$3.3 million added for Strategic Investments recovery.

$350,000 added Strategic Investments recovery.

$7.0 million added Strategic Investments recovery.

$2.1 million added for Strategic Investment recovery.

Startup Expenses. Non-recoverable in various cost of service.

$783,000 added for Strategic Investment recovery.

Strategic Investments Recoverable in Various COS

($ millions)	
Business Services - Strategic Management	$2.1
Enterprise Shared Services - Human Resources	$0.8
Operation Headquarters	$3.3
Operation - Blenheim-Gilboa	$0.4
Operations - Transmission	$7.0
Total	**$13.5**

NYC LTA Customer Shared Services Expenses for Strategic Investments

($,000)

		Strategic Investments Recoverable in Various COS		
		Business Services - Strategic Management	$ 2,100.0	
		Enterprise Shared Services - Human Resources	$ 783.0	
		Operation Headquarters	$ 3,300.0	Not recoverable from SENY
		Operation - Blenheim-Gilboa	*$ 350.0*	
		Operations - Transmission	*$ 7,000.0*	Not recoverable from SENY
		Total	**$ 13,533.0**	
		Strategic Investments Recoverable from SENY COS		
		Business Services - Strategic Management	$ 2,100.0	
		Enterprise Shared Services - Human Resources	$ 783.0	
		Operations Headquarters	$ 3,300.0	
		Total	**$ 6,183.0**	
Capacity or Capacity Based OH Ratio	**Labor Ratio**	**Total NYC LTA Customer share for Strategic Investments**		
82.84%	0.55%	Ashokan	$ 28.17	
82.84%	2.72%	Small Hydro	$ 139.31	
	0.70%	AEII	$ 43.28	
95.42%	2.95%	SENY	$ 174.05	
	8.29%	500 MW	$ 512.57	
		Total	**$ 897.4**	

Figure 2 - Direct Operations & Maintenance Expense
($, million)

Ln. #	O&M by Project	Total SENY	500MW CCU	AEII	Total Small Hydro	NYC Gov't Customer SENY	NYC Gov't Customer Small Hydro	2015 Preliminary NYC Gov't Customer TOTALS
						95.42%	82.84%	
(1)	**Total O&M**	**5.2**	**34.0**	**1.2**	**7.0**	**5.0**	**5.8**	**45.9**
(2)	**Wood Group Contracted Cost**		**(6.9)**					**(6.9)**
(3)	**Amortized 500MW CCU Long Term Service Agreement**		**6.7**					**6.7**
(4)	**Amortized Tropical Storm Irene Expense - Three Years**						**0.4**	**0.4**
(5)								
(6)	**Total 2015 O&M**	**5.2**	**33.8**	**1.2**	**7.0**	**5.0**	**6.1**	**46.0**

2015 COS Figure 3 Backup

($,000)

Headquarters Budget

Executive Office	$	24,749.2
Business Services	$	24,482.4
Enterprised Shared Services	$	44,761.7
Energy Marketing & Business Development	$	828.0
Operations Headquarters	$	28,029.9
Total Headquarters	**$**	**122,851.2**
Research & Development	**$**	**8,775.2**

Capacity or Capacity Based OH Ratio	Labor Ratio	Total NYC LTA Customer Share (including Strategic Investments)		Headquarters		Research & Development
82.84%	0.55%	Ashokan	$	559.7	$	39.98
82.84%	2.72%	Small Hydro	$	2,768.0	$	197.72
	0.70%	AEII	$	860.0	$	61.43
95.42%	2.95%	SENY	$	3,458.2	$	247.02
	8.29%	500 MW	$	10,184.4	$	727.46
		Total	**$**	**17,830.3**	**$**	**1,273.6**

2015 SENY COST OF SERVICE

EXPLANATION OF MAJOR CHANGES

Operations & Maintenance

O&M costs for 2015 are $ 2.4 million above 2014. The following is detailed below:

	2014	2015	Inc/(Dec)
500 MW Combined Cycle	32.6	34.0	1.4
Small Hydros	6.5	7.0	0.5
SENY Directly Assigned	4.8	5.2	0.4
Astoria Energy II NYPA Support	1.2	1.2	(0.1)

o The major increases are due to Outages and Non-recurring work.

○ A list and explanation of the non-recurring projects is attached.

- **500 MW Plant**

  o Increase of $1.4 million is due to Outage and non-recurring work for Control Room redesign and 500MW Simulator.

- **Small Hydros**

  o Increase is due to repaint and repair to Crescent Tainter Gate & Jarvis Unit #1 rebuild.

- **SENY direct assigned**

  o Increase is due to the Risk Cloud Implementation.

Shared Services

The table below provides the overall NYPA Headquarters, R&D and Allocation to Capital budgets ($millions) for 2014 and 2015.

	2014	2015	Inc/(Dec)
Headquarters	110.8	122.9	12.1
R&D	8.8	8.8	(0.0)
Allocation to Capital	(18.1)	(17.5)	0.6

The following describes the major factors in year to year changes.

- **Headquarters**

	$ amounts
2014 Headquarters	**110.8**
Strategic Initiatives NYPA has commenced work on several strategic initiatives that will strengthen NYPA's operations going forward. The O&M costs for these initiatives will be concentrated in 2015 and 2016. Below is an explanation of the initiatives impacting current business with significant 2015 planned expenditures. Workforce Planning - To provide succession planning for key NYPA individuals so as not to disrupt current business processes, and to improve the quality and management of NYPA workforce resources to meet future business needs. Smart G & T - To improve on NY State Energy grid by incorporating smart-grid technology across the Generation and Transmission Infrastructure. Asset Management - Refinement of the systems, tools and processes that are used to manage NYPA production and transmission assets.	6.8
HCM & E-Source Cloud Solutions The current trend in the IT world is to migrate software from locally installed products on user hardware to a cloud based system where the software developer owns/controls the hardware, software and operating environment (generally from a centralized location). One of the outcomes is that expenditures for software installatin that were previously capitalized are now accounted as expense (O&M). For 2015, NYPA plans to implement an HR cloud solution (HCM) that consolidates and integrates several HR functions. Also, in the Procurement area an e-sourcing solution (Ariba) is planned to improve and enhance the purchasing process.	1.5
Risk Cloud Based upon new customer requirements, a new risk system implementation is planned for 2015. The most likely scenario is that the solution will be cloud based, thus O&M. The estimate represents the SENY customer's direct share of the project's cost.	0.6
E&Y Full Year NYPA has engaged Ernst & Young to assist in the restructuring of the NYPA audit function. This is a non-recurring expense.	2.7

- **Allocation to Capital**

  o The decrease is due to less planned capital in 2015. Projects with major recudtions include Lewiston Pump Generator Plant, Crescent and Vischer Ferry Life Extension & Modernization Projects.

- **Escalation/ Other** 0.5

2015 Headquarters **122.9**

2015 O&M BUDGET FOR SENY COST OF SERVICE SUMMARY
($000's)

	2014 Budget	2015 Budget		Increase/ (Decrease)	%
Figure 2 O&M Data					
500 MW before Wood Group Amort.	$32,623.8	$33,990.7		$1,366.9	4.2
Small Hydros	$6,469.6	$6,978.0	(1)	$508.4	7.9
SENY	$4,802.2	$5,194.8		$392.6	8.2
Astoria Energy II NYPA Support	$1,229.9	$1,179.7		($50.2)	(4.1)
Figure 2 O&M Total	$45,125.5	$47,343.3		$2,217.7	4.9
Total	**$45,125.5**	**$47,343.3**		**$2,217.7**	**4.9**

(1) $ amount is prior to NYC Government Customer and Westchester Customer allocations.

2015 O&M BUDGET FOR SENY COST OF SERVICE
Functional Area Breakdown
($000's)

		2014 Budget	2015 Budget	Increase/ (Decrease)	%
500 MW					
	Recurring	$22,166.2	$20,899.8	($1,266.4)	(5.7)
	Non-Recurring	$2,782.6	$4,230.9	$1,448.3	52.0
	Wood Group-Outage	$7,175.0	$6,941.7	($233.3)	(3.3)
	Outage	$500.0	$1,918.3	$1,418.3	283.7
500MW Total		**$32,623.8**	**$33,990.7**	**$1,366.9**	**4.2**
Small Hydros					
	Recurring	$5,546.7	$5,614.5	$67.8	1.2
	Non-Recurring	$922.9	$1,363.6	$440.7	47.7
Small Hydro Total		**$6,469.6**	**$6,978.0**	**$508.4**	**7.9**
SENY					
	Recurring	$4,727.2	$4,463.8	($263.4)	(5.6)
	Non-Recurring	$75.0	$731.0	$656.0	874.7
SENY Total		**$4,802.2**	**$5,194.8**	**$392.6**	**8.2**
Astoria Energy II					
	Recurring	$1,229.9	$1,179.7	($50.2)	(4.1)
Astoria Energy II Total		**$1,229.9**	**$1,179.7**	**($50.2)**	**(4.1)**
TOTAL					
	Recurring	$33,670.0	$32,157.8	($1,512.2)	(4.5)
	Non-Recurring	$3,780.5	$6,325.4	$2,544.9	67.3
	Wood Group-Outage	$7,175.0	$6,941.7	($233.3)	(3.3)
	Outage	$500.0	$1,918.3	$1,418.3	283.7
TOTAL		**$45,125.5**	**$47,343.3**	**$2,217.7**	**4.9**

2015 SENY COST OF SERVICE BUDGET DATA

TOTAL WITH WOOD OUTAGE COST

		500MW COMBINED CYCLE	Small Hydro	ASTORIA ENERGY II	SENY	Total
(1)	Total Site Payroll	11,296,306	4,541,353	964,507	4,050,123	**20,852,289**
(2)	Direct Purchases	2,261,547	363,603	150	1,100	**2,626,400**
(3)	Stores Issues	687,863	82,554	75	150	**770,642**
(4)	Fees & Dues	73,079	13,174	3,049	28,634	**117,936**
(5)	Office & Station Expense	851,564	198,518	17,854	73,605	**1,141,542**
(6)	Contract Services	17,360,346	1,508,784	155,968	792,100	**19,817,198**
(7)	Consultants	1,459,975	270,049	38,100	249,125	**2,017,250**
(8)	Other Expense	0	0	0	0	**0**
(9)	**Total O&M**	**33,990,679**	**6,978,035**	**1,179,704**	**5,194,837**	**47,343,255**

WOOD OUTAGE COST

		500MW COMBINED CYCLE	Small Hydro	ASTORIA ENERGY II	SENY	Total
(1)	Total Site Payroll					**0**
(2)	Direct Purchases					**0**
(3)	Store Issues					**0**
(4)	Fees & Dues					**0**
(5)	Office & Station Expense					**0**
(6)	Contracted Services	6,941,737				**6,941,737**
(7)	Consultants					**0**
(8)	Other Expenses					**0**
(9)	Total O&M	**6,941,737**	**0**	**0**	**0**	**6,941,737**

TOTAL LESS WOOD OUTAGE COST

		500MW COMBINED CYCLE	Small Hydro	ASTORIA ENERGY II	SENY	Total
(1)	Total Site Payroll	11,296,306	4,541,353	964,507	4,050,123	**20,852,289**
(2)	Direct Purchases	2,261,547	363,603	150	1,100	**2,626,400**
(3)	Store Issues	687,863	82,554	75	150	**770,642**
(4)	Fees & Dues	73,079	13,174	3,049	28,634	**117,936**
(5)	Office & Station Expense	851,564	198,518	17,854	73,605	**1,141,542**
(6)	Contracted Services	10,418,609	1,508,784	155,968	792,100	**12,875,461**
(7)	Consultants	1,459,975	270,049	38,100	249,125	**2,017,250**
(8)	Other Expenses	0	0	0	0	**0**
(9)	Total O&M	**27,048,942**	**6,978,035**	**1,179,704**	**5,194,837**	**40,401,518**

Headquarters Budget	**122,851,239**
R&D Budget	**8,775,214**
Total allocation to Capital	**(17,488,227)**

	HQ Budget	R&D Budget	Allocation to Capital	%
500MW	$10,184,371	$727,464	($1,449,774)	8.29%
Ashokan	$675,685	$48,264	($96,185)	0.55%
Jarvis	$687,967	$49,141	($97,934)	0.56%
Crescent	$1,363,652	$97,405	($194,119)	1.11%
Vischer Ferry	$1,289,941	$92,140	($183,626)	1.05%
Astoria Energy II	$899,386	$61,426	($122,418)	0.70%
SENY	$3,624,115	$258,868	($515,903)	2.95%

2015 O&M BUDGET FOR SENY COST OF SERVICE

Non-Recurring/WBS Detail

($000's)

500MW

WBS Code	WBS Description	2014 Budget	2015 Budget	Increase/ (Decrease)
QN-NR-1-BN	500MW VALVE UPGRADE PROGRAM	$395.8	$0.0	($395.8)
QN-NR-1-CN	UPGRADE CHILLER SAFETY VALVES	$160.9	$0.0	($160.9)
QN-NR-1-CO	500MW CABLE TRAY EVALUATION	$350.0	$0.0	($350.0)
QN-NR-1-CQ	500 MW FUEL GAS SUPPLY STUDY	$159.3	$650.7	$491.5
QN-NR-1-CS	500 MW AUXILLARY COOLING TOWER FAN VARIABLE FREQUENCY DRIVE	$227.7	$0.0	($227.7)
QN-NR-1-CT	500 MW CONTROL ROOM REDESIGN	$232.0	$1,327.7	$1,095.6
QN-NR-1-CW	500 MW GAS COMPRESSOR OVERHAULS	$9.6	$0.0	($9.6)
QN-NR-1-CY	500 MW ELEVATOR MODIFICATION AT ADMINISTRATION BUILDING	$327.1	$0.0	($327.1)
QN-NR-1-CZ	500 MW AIR COOLED CONDENSER UPGRADES	$54.6	$328.9	$274.4
QN-NR-1-DA	500 MW NOISE REDUCTION IMPROVEMENTS	$47.8	$253.4	$205.7
QN-NR-1-DD	500 MW INTERNAL COATING OF DEMINERALIZATION WATER STORAGE TANK	$509.6	$0.0	($509.6)
QN-NR-1-DE	500 MW CHANGEOUT R-22 REFRIGERANT	$105.6	$0.0	($105.6)
QN-NR-2-CC	500MW "AS BUILT " DRAWINGS	$0.0	$156.9	$156.9
QN-NR-2-CG	CATHODIC PROTECTION SYSTEM EVALUATION	$164.4	$430.3	$265.9
QN-NR-2-NB	SENY/ASTORIA ROOF REPLACEMENT	$38.2	$0.0	($38.2)
QN-NR-1-DJ	500MW PLANT RQUIPMENT FREEZE PROTECTION	$0.0	$257.9	$257.9
QN-NR-1-DM	SENY ARC FLASH STUDY	$0.0	$100.0	$100.0
QN-NR-1-DN	500 MW SIMULATOR	$0.0	$725.0	$725.0
	Total Non-Recurring - 500MW	**$2,782.6**	**$4,230.9**	**$1,448.3**

Small Hydros

WBS Code	WBS Description	2014 Budget	2015 Budget	Increase/ (Decrease)
SC-NR-2-LK	CRESCENT TAINTER GATE PAINT/CONCRETE RP	$134.4	$822.3	$688.0
SC-NR-2-TB	CRESCENT FISH GUIDANCE SYSTEM	$434.2	$111.8	($322.4)
SC-NR-2-LJ	CRESCENT SERVICE WATER MODIFICATIONS	$0.0	$76.9	$76.9
SC-NR-2-VD	CRESCENT UNITS 1 & 2 LEM ASSESSMENT	$0.0	$42.7	$42.7
HK-NR-2-HF	REBUILD JARVIS UNIT #2	$339.4	$0.0	($339.4)
HK-NR-2-HG	REBUILD JARVIS UNIT #1	$15.0	$190.4	$175.4
VF-NR-2-LI	VISCHER FERRY UNITS 1 & 2 LEM ASSESSMENT	$0.0	$42.7	$42.7
VF-NR-2-LJ	VISCHER FERRY SERVICE WATER MODIFICATION	$0.0	$76.9	$76.9
	Total Non-Recurring - Small Hydros	**$922.9**	**$1,363.6**	**$440.7**

SENY

WBS Code	WBS Description	2014 Budget	2015 Budget	Increase/ (Decrease)
SY-OS-1-AA	GOVERNMENT LOAD RESEARCH ANALYTICAL REPORTING	$75.0	$150.0	$75.0
MPC-CHG-CI-SY-01-0001	RISK CLOUD IMPLEMENTATION	$0.0	$581.0	$581.0
	Total Non-Recurring - Poletti	**$75.0**	**$731.0**	**$656.0**
	Total Non-Recurring	**$3,780.5**	**$6,325.4**	**$2,544.9**

2015 Non-Recurring Tasks
(000's)

500MW

500 MW CONTROL ROOM REDESIGN $ 1,327.7

The 500 MW control room requires a re-design and upgrade to segregate access to the control room and to eliminate entering through an alternate entrance. At this time there are non-essential personnel entering the control room. A better layout of the control room and consoles is necessary. The project will be implemented in 2015 with completion scheduled for 2016.

500 MW FUEL GAS SUPPLY STUDY $ 650.7

It was identified by Site Operations that the generator Fuel Gas Supply system has inadequacies to dampen pressure disturbances and oscillations. This project entails investigation of the root cause of these inadequacies and to determine the best course of action.

500 MW AIR COOLED CONDENSER UPGRADES $ 328.9

Long-term reliability to the accelerometers/fans will be improved by engineering upgrades to trend the maintenance of the Fan Gear Boxes to predict and schedule needed work for the fans and gear boxes. The upgrades at a minimum would be to install accelerometers at least 2 per gear box to trend gear box vibration and install analog pressure indication for the lube oil pumps. The readings would be fed to the MARK VI (ICS) for indication, trending and alarm.

500 MW NOISE REDUCTION IMPROVEMENTS $ 253.4

The chiller separator and flash tank are located near the main entrance to the plant. Entrants are exposed to sudden and extreme noise conditions when these systems automatically and randomly release pressure into the room . A sound barrier is required to dampen the noise in this highly utilized entrance and passage way into the plant. The installation of a wall will serve as a sound barrier and allow for safe access to the plant.

500MW PLANT EQUIPMENT FREEZE PROTECTION $ 257.9

The 500 MW plant has been faced with challenges relating to freezing of various plant equipment. Some equipment identified includes: Steam Jet Air Ejector, Condensate Pumps, Condensate Makeup Equipment, Demineralized Water Trailers, Gas Performance Heaters, Boiler Feed Pumps, and the HP & IP Drum Level Transmitter Panels and other plant equipment. In 2015 Engineering will make an assessment of the listed equipment and will make an evaluation as to the needed modifications to the equipment. Engineering will develop scope of services for the required corrective measures for an A/E to design.

ARC FLASH STUDY $ 100.0

An arc flash study will be conducted in 2015 to assess the conditions present at our 500 MW facility. As a result of the study if any significant changes are identified, the site will implement the recommended changes to mitigate exposure to arc flash hazards and ensure safe conditions.

500 MW "BUILT AS" DRAWINGS $ 156.9

The 500MW Metering and Relaying preliminary drawings were completed. Based upon system modifications and priority the drawings need to be brought up to the current configuration. This request is for funds to created up to date "As Built" drawings.

CATHODIC PROTECTION SYSTEM EVALUATION $ 430.3

An evaluation of the Cathodic Protections System in necessary to determine if the system requires modification to avoid failure. A properly operating Cathodic Protection system is a regulatory requirement of both the NYSDEC and the FDNY. It is also necessary to protect the numerous underground piping and piles utilized at the facility. Failure of the underground ferrous structures at the 500 MW facility could potentially have a major adverse effect on the reliability of the plant.

500 MW SIMULATOR $ 725.0

The purpose of this project is to procure and develop an operations simulator for the SENY combined cycle plant. The simulator will provide real world systems operation training for new and experienced plant operators in real time by mirroring the plant control system. Because the simulator will be an exact duplicate of the actual plant with regards to system control schemes, it can also be used by engineering staff to test proposed changes prior to implementing them on the actual plant. The simulator will emulate normal and casualty plant operations that will provide experience for operators above and beyond what can be accomplished in a standard classroom format. The use of the equipment would greatly enhance training for operators and technicians, and would provide a training tool that currently doesn't exist for plant specific advanced and casualty training for senior operators.

Total-500MW $ 4,230.9

2015 Non-Recurring Tasks
(000's)

SENY

RISK CLOUD IMPLEMENTATION $ 581.0

This software is needed to serve as the repository for all energy commodity forward price curves and the transactions NYPA enters to manage its energy commodity market risk. The software will also be used to quantify energy commodity market risk as well as the associated default risk to the counterparties for risk hedging transactions and track the collateral requirements and establish the official valuation of those hedging transactions.

GOVERNMENT LOAD RESEARCH ANALYTICAL REPORTING $ 150.0

This funding represents consulting support for ongoing analysis and reporting of the Government Customer Load Research Program.

Total-SENY $ 731.0

Small Hydros

CRESCENT TAINTER GATE PAINT/CONCRETE REPLACEMENT $ 822.3

This project entails the evaluation and replacement of the tainter gates as necessary. The Tainter Gate Inspection Report recommended that NYPA schedule the tainter gate to be re-painted and recommended that the freeze thaw deterioration and delamination in the vertical concrete side pier faces be repaired. This project will evaluate and repair the necessary components as recommended in the report.

CRESCENT FISH GUIDANCE SYSTEM $ 111.8

The sound deterrent system which helps blueback herring continue their migration downriver will be evaluated. A new study will be conducted in 2015. If the sound field is not what is anticipated, then the system will be enhanced to achieve the required sound levels.

CRESCENT and VISCHER FERRY UNITS 1 & 2 LEM ASSESSMENT $ 85.3

This project request entails the life extension and modernization (LEM) projects of NYPA Crescent and Vischer Ferry generating units 1 and 2 inclusive of associated turbine-generator equipment, low & medium voltage electrical switchgear and associated balance-of-plant equipment.

CRESCENT and VISCHER FERRY SERVICE WATER MODIFICATION $ 153.7

This project entails the refurbishment and modification of Crescent and Vischer Ferry service water systems pertinent to continued reliable operation of the small hydro generating units. Immediate repairs to existing equipment infrastructure, pumps and piping will be addressed in 2015 with further engineering to commence in 2016 to determine if the application of a closed cooling water system is feasible to the sites.

REBUILD JARVIS UNIT #1 $ 190.4

After failure of Jarvis Unit#2 an assessment was performed on Jarvis Unit #1 to mitigate any further failures, As a result of this assessment, it was determined that Jarvis Unit#1 must undergo an overhaul and rebuild. The unit will continue to be evaluated to determine the extent of repairs required. The purchase of the new parts and the repair of the existing parts would take place in 2015. The assembly, alignment and unit start-up would take place in the last half of 2015.

Total-Small Hydros $ 1,363.6

Total SENY Non-Recurring $ 6,325.4

Labor Ratios

What are Labor Ratios & How are they Used?

- Labor ratios are used for allocating certain corporate expenses to facilities and operating lines of business.
- In the NYC Cost of Service, labor ratios are used to allocate NYPA's shared services, which include:
  - Headquarters
  - Research & Development
  - Allocation to Capital
  - Other Post Employment Benefits (OPEB)

Why are Labor Ratios being used?

- Results of Litigation: The Village of Bergen, NY vs. NYPA [Note 1]
  - The Litigants contested the Authority's functionalization and allocation of indirect overhead cost based on capacity rather than on labor cost for preference power rates.
  - They argued that the methodology did not comply with NYPA's statutory mandate to set the "lowest possible rate".
  - The courts ruled in favor of the plaintiffs, requiring the use of labor ratios to allocate indirect overhead cost.
  - Since that ruling, NYPA has consistently applied this methodology in allocating overhead cost to its operating facilities.

Note 1: *Village of Bergen, et al. v. Power Authority of the State of New York,* 284 A.D.2d 976, 726 N.Y.S.2d 902 (4th Dep't), *reargument denied,* 731 N.Y.S.2d 136 (4th Dep't), *lv. to app. denied,* 97 N.Y.2d 606,738 N.Y.S.2d 289 (2001) (*Bergen*).

How are Labor Ratios Derived?

- Table 1-Calculation of Labor Ratios – Summary Table
  - Shows budgeted labor cost assigned to each NYPA Facility.
  - The Labor cost are shown in dollars and as percent of total labor $.
    - *The percent of total labor are the labor ratios.*
- The three components of each facilities' labor costs used to derive Table 1are:
  1. Facility Labor costs planned with Work Breakdown Structure (WBS) (Table 2)
     - WBS is a line-item breakdown structure to track project expenditure including wages and benefits.
  2. Facility Labor costs that are planned without a WBS (Table 4).
  3. Headquarter costs that are assigned directly to a facility (Table 6).

Labor Costs = Payroll, benefits, and employee travel & living expenses

How are Labor Ratios Derived (Cont.)?: Table 2

- During the Budget Process, once a project is deemed to be wholly for the benefit of a single NYPA facility, the labor associated with that project is assigned to that facility.
- Each task is then given a WBS code that can be tracked, and is specific to that facility.
- Those labor costs tracked under a WBS code are then combined by facility in Table 2.

How are Labor Ratios Derived (Cont.)?: Table 3 & Table 4

- Table 3
  - Unlike the single-facility projects from Table 2, there are other projects undertaken at NYPA which benefit multiple NYPA facilities, and therefore require a splitting of labor costs.
  - An annual study determines how the cost center expense in Table 3 should be split.
  - For example, the labor cost for security expenses (N131) at the Niagara facility are split between the Niagara Facility and Transmission by an 88%/12% split because security forces patrol both the generating facility and the transmission substation, due to their geographic proximity.
- Table 4
  - The percentages from Table 3 are then used to split the specific labor cost assigned to each facility.

How are Labor Ratios Derived (Cont.)?: Table 5 and Table 6

- Table 5
  - Some Headquarter costs are assigned directly to facilities.
  - An annual study determines how the cost center expense in Table 5 should be assigned to a NYPA facility.
  - For example, the labor costs for Fuel Operations (H511) expense are split by the following % because our fuels group works to procure gas and oil for all of our fossil plants:
    - 500 MW= 38% ,Astoria Energy II = 41%, Flynn =11%, and Small Clean Power plants (SCPPS) = 10%
- Table 6
  - The percentages from Table 5 are then used to split the specific headquarter labor cost assigned to each NYPA facility.

Steps in Developing Labor Ratios

- Determine the total site and headquarter labor cost for each facility on Table 1-Calculation of Labor Ratios- Summary Table.
  - Equals the sum of:
    - Labor costs assigned a WBS (Table 2)
    - Facility labor costs without a WBS (Table 4)
    - Headquarter costs assigned directly to a facility (Table 6)
- Determine percent of total labor for each facility
  - Divide total labor costs for each facility by total NYPA labor costs to calculate the labor ratio for each facility.

2015 Preliminary COS – Labor Ratios Used

- 500 MW CCU= 8.29%
- Astoria Energy II = 0.70%
- Small Hydro = 3.27%
- SENY = 2.95%

- Total = 15.21%

2015 NYPA LABOR RATIO CALCULATION

Labor ratios are used to allocate HQ, R&D and Allocation to Capital costs to the operating facilities. The labor ratios are derived from the planned labor and standard rate cost elements budgeted to each facility. There are three components of each facilities' labor cost.

- **Labor costs planned with a WBS (Work Breakdown Structure) that identifies the facility on which the work is being performed (Table 2)**
- **Facility labor costs that are planned without a WBS code, and are assigned according to cost center specific allocation percentages (Tables 3 & 4)**
- **Labor for directly assigned HQ cost centers that are assessed according to the specific cost center allocation percentages (Tables 5 & 6)**

Table 1 provides the calculation of the total labor support for each facility and the associated percentages of total labor on the last row.

Table 2 shows the payroll and standard rate costs planned on a WBS that is identified with each of the facilities.

Table 3 and Table 4 are associated with facility labor costs that are not assigned a WBS. These costs are assigned to facilities on a cost center basis according to allocation percentages for each cost center. Table 3 contains the allocation percentages for each cost center. Table 4 contains the calculated dollars based upon the total labor without a WBS for each facility cost center (last column of Table 4) and the percentages on Table 3.

Table 5 and Table 6 are associated with labor costs for HQ cost centers that are directly assigned to facilities. These costs are assigned to facilities on a cost center basis according to allocation percentages for each cost center. Table 5 contains the allocation percentages for each cost center. Table 6 contains the calculated dollars based upon the total labor without a WBS for each HQ cost center that is directly assigned (last column of Table 6) and the percentages on Table 5.

TABLE 1

CALCULATION OF LABOR RATIOS - Summary Table

	Blenheim-Gilboa	St. Lawrence	Niagara	Astoria Energy II	Flynn	Small Hydro Facilities	SCPPs	500MW	Transmission	Recharge NY	SENY	Total
Table 2 Total - Labor Assigned a WBS	$ 9,937,829	$ 14,869,030	$ 23,187,207	$ 0	$ 3,105,299	$ 3,373,304	$ 875,479	$ 7,331,546	$ 22,962,282	$ 0	$ 0	$ 85,641,975
Table 4 Total - Facility Labor without a WBS	$ 3,217,568	$ 1,907,830	$ 7,198,122	$ 0	$ 1,410,603	$ 830,778	$ 1,835,684	$ 2,575,717	$ 10,051,321	$ 0	$ 0	$ 29,027,623
Table 6 Total - Labor from HQ Directly Assigned Cost Centers	$ 1,059,492	$ 3,739,257	$ 5,715,430	$ 970,205	$ 576,726	$ 336,909	$ 680,246	$ 1,611,979	$ 4,472,275	$ 969,632	$ 4,092,253	$ 24,224,404
Total	$ 14,214,890	$ 20,516,117	$ 36,100,759	$ 970,205	$ 5,092,628	$ 4,540,991	$ 3,391,409	$ 11,519,242	$ 37,485,878	$ 969,632	$ 4,092,253	$ 138,894,002
% of Total Labor	10.23%	14.77%	25.99%	0.70%	3.67%	3.27%	2.44%	8.29%	26.99%	0.70%	2.95%	100.00%

2015 NYPA LABOR RATIO CALCULATION

TABLE 2

LABOR ASSIGNED A WBS CODE

Cost Element		Blenheim-Gilboa	St. Lawrence	Niagara	Astoria	Flynn	Small Hydro	SCPP	500MW	Transmission	Recharge NY	SENY	TOTAL
611100	Straight Time-A	$ 2,560,208	$ 3,337,074	$ 4,574,335	$ 0	$ 1,560,465	$ 975,887	$ 544,227	$ 2,344,746	$ 4,610,235	$ 0	$ 0	$ 20,507,175
612100	Overtime Pay-A	$ 114,500	$ 101,700	$ 7,000	$ 0	$ 635,496	$ 2,000	$ 0	$ 265,034	$ 76,100	$ 0	$ 0	$ 1,201,830
621100	Straight Time-H	$ 3,313,428	$ 5,638,958	$ 9,229,261	$ 0	$ 1,669	$ 1,116,525	$ 9,388	$ 1,724,375	$ 9,058,774	$ 0	$ 0	$ 30,092,378
622100	Overtime Pay-H	$ 586,200	$ 668,000	$ 1,445,500	$ 0	$ 0	$ 73,800	$ 0	$ 536,812	$ 1,240,200	$ 0	$ 0	$ 4,550,512
622200	Shift Premium-H	$ 20,940	$ 45,089	$ 44,145	$ 0	$ 0	$ 5,315	$ 0	$ 129,554	$ 37,252	$ 0	$ 0	$ 282,294
626100	Temporary Employee-H	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 150,000	$ 0	$ 0	$ 150,000
631000	Benefits-Distributed	$ 3,266,441	$ 4,991,743	$ 7,676,443	$ 0	$ 868,732	$ 1,163,630	$ 307,876	$ 2,262,916	$ 7,601,596	$ 0	$ 0	$ 28,139,377
651700	Employee Fees	$ 3,467	$ 4,354	$ 10,085	$ 0	$ 2,097	$ 1,886	$ 603	$ 2,986	$ 4,415	$ 0	$ 0	$ 29,895
661100	Travel & Living	$ 53,299	$ 48,769	$ 83,265	$ 0	$ 16,508	$ 24,134	$ 6,501	$ 40,564	$ 105,664	$ 0	$ 0	$ 378,704
661300	Meal Allowance	$ 8,592	$ 25,008	$ 77,142	$ 0	$ 14,469	$ 4,997	$ 3,887	$ 12,449	$ 61,772	$ 0	$ 0	$ 208,316
661400	Other Business Meals	$ 3,146	$ 145	$ 8,572	$ 0	$ 601	$ 837	$ 166	$ 5,261	$ 1,371	$ 0	$ 0	$ 20,098
663100	Books & Publications	$ 1,600	$ 273	$ 2,950	$ 0	$ 0	$ 543	$ 0	$ 67	$ 2,593	$ 0	$ 0	$ 8,025
667100	Office Supplies	$ 3,409	$ 3,934	$ 23,171	$ 0	$ 3,919	$ 1,372	$ 1,311	$ 3,556	$ 7,085	$ 0	$ 0	$ 47,756
669600	Miscellaneous Office Expense	$ 2,599	$ 3,983	$ 5,339	$ 0	$ 1,342	$ 2,379	$ 1,521	$ 3,227	$ 5,225	$ 0	$ 0	$ 25,615
Overall Result		$9,937,829	$14,869,030	$23,187,207	$0	$3,105,299	$3,373,304	$875,479	$7,331,546	$22,962,282	$0	$0	$85,641,975

2015 NYPA LABOR RATIO CALCULATION

TABLE 3

ALLOCATION PERCENTAGES FOR FACILITY COST CENTERS

Cost Center	Desc	Blenheim-Gilboa	St. Lawrence	Niagara	Astoria Energy II	Flynn	Small Hydro	SCPP	500MW	Transmission	Recharge NY	SENY	TOTAL
B111	Site Administration	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B112	Financial Services BG	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B113	Human Resources - BG	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B114	Purchasing-BG	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B116	Environmental	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B120	Warehouse-BG	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B130	Safety	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B131	Security	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B210	Control Room Ops	68%	0%	0%	0%	0%	12%	0%	0%	21%	0%	0%	100%
B320	Mechanical Maint	85%	0%	0%	0%	0%	13%	0%	0%	2%	0%	0%	100%
B330	Electrical Maint	62%	0%	0%	0%	0%	21%	0%	0%	17%	0%	0%	100%
B360	Vehicle Maintenance BG	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B400	Instrument & Control	73%	0%	0%	0%	0%	14%	0%	0%	12%	0%	0%	100%
B530	Design & Drafting	93%	0%	0%	0%	0%	4%	0%	0%	3%	0%	0%	100%
B540	MRM	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
B551	Engineering	74%	0%	0%	0%	0%	14%	0%	0%	13%	0%	0%	100%
C111	Site Administration	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C112	Financial Services CLK	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C113	Human Resources - Clark	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C114	Purchasing-CLARK	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C116	Right of way Maint.	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C120	Warehouse-CLARK	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C130	Safety	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C131	Security	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C210	Control Room Ops	0%	0%	0%	0%	0%	13%	0%	0%	87%	0%	0%	100%
C320	Mechanical Maint	0%	0%	0%	0%	0%	6%	0%	0%	94%	0%	0%	100%
C330	Electrical Maint	0%	0%	0%	0%	0%	5%	0%	0%	95%	0%	0%	100%
C340	Line Maintenance	0%	0%	0%	0%	0%	1%	0%	0%	99%	0%	0%	100%
C360	Vehicle Maintenance Clark	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
C400	Instrument & Control	0%	0%	0%	0%	0%	7%	0%	0%	93%	0%	0%	100%
C540	MRM	0%	0%	0%	0%	0%	3%	0%	0%	97%	0%	0%	100%
F111	Site Administration	0%	0%	0%	0%	81%	0%	19%	0%	0%	0%	0%	100%
F210	Control Room Ops	0%	0%	0%	0%	88%	0%	12%	0%	0%	0%	0%	100%
F320	Mechanical Maint	0%	0%	0%	0%	73%	0%	27%	0%	0%	0%	0%	100%
F400	Instrument & Control	0%	0%	0%	0%	68%	0%	32%	0%	0%	0%	0%	100%
N111	Site Administration	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N112	Financial Services NIA	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N113	Human Resources - NIA	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N114	Purchasing-NIA	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N116	Environmental	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N120	Warehouse-NIA	0%	0%	86%	0%	0%	0%	0%	0%	12%	0%	0%	98%
N130	Safety	0%	0%	88%	0%	0%	0%	0%	0%	12%	0%	0%	100%
N131	Security	0%	0%	88%	0%	0%	0%	0%	0%	12%	0%	0%	100%
N210	Control Room Ops	0%	0%	86%	0%	0%	0%	0%	0%	14%	0%	0%	100%
N310	General Maint	0%	0%	95%	0%	0%	0%	0%	0%	5%	0%	0%	100%
N320	Mech Maint RMPP	0%	0%	99%	0%	0%	0%	0%	0%	1%	0%	0%	100%
N321	Mech Maint LPGP	0%	0%	99%	0%	0%	0%	0%	0%	1%	0%	0%	100%
N330	Elec Maint RMPP	0%	0%	89%	0%	0%	0%	0%	0%	11%	0%	0%	100%
N331	Elec Maint LPGP	0%	0%	96%	0%	0%	0%	0%	0%	4%	0%	0%	100%
N332	Switchyard Maint	0%	0%	27%	0%	0%	0%	0%	0%	73%	0%	0%	100%
N360	Vehicle Maintenance Niagara	0%	0%	88%	0%	0%	0%	0%	0%	12%	0%	0%	100%
N400	Instrument & Control	0%	0%	75%	0%	0%	0%	0%	0%	25%	0%	0%	100%
N530	Design & Drafting	0%	0%	94%	0%	0%	0%	0%	0%	6%	0%	0%	100%
N540	MRM	0%	0%	88%	0%	0%	0%	0%	0%	12%	0%	0%	100%
Q111	500MW Site Administration	0%	0%	0%	0%	10%	0%	45%	45%	0%	0%	0%	100%
Q112	Financial Services 500MW	0%	0%	0%	0%	25%	0%	25%	50%	0%	0%	0%	100%
Q114	500mw Purchasing	0%	0%	0%	0%	25%	0%	25%	50%	0%	0%	0%	100%
Q120	500mw Warehouse	0%	0%	0%	0%	25%	0%	25%	50%	0%	0%	0%	100%
Q131	Security	0%	0%	0%	0%	5%	0%	25%	70%	0%	0%	0%	100%
Q211	500mw Control Room Ops	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
S111	Site Administration	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S112	Financial Services STL	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S113	Human Resources - STL	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S114	Purchasing-STL	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S116	Environmental	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S120	Warehouse-STL	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S130	Safety	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S131	Security	0%	56%	0%	0%	0%	0%	0%	0%	39%	0%	0%	95%
S210	Control Room Ops	0%	48%	0%	0%	0%	0%	0%	0%	52%	0%	0%	100%
S310	General Maint	0%	85%	0%	0%	0%	0%	0%	0%	15%	0%	0%	100%
S320	Mech Maintenance	0%	87%	0%	0%	0%	0%	0%	0%	13%	0%	0%	100%
S330	Elect Maintenance	0%	47%	0%	0%	0%	0%	0%	0%	53%	0%	0%	100%
S360	Vehicle Maintenance STL	0%	59%	0%	0%	0%	0%	0%	0%	41%	0%	0%	100%
S400	Instrument & Control	0%	33%	0%	0%	0%	0%	0%	0%	67%	0%	0%	100%
S530	Design & Drafting	0%	47%	0%	0%	0%	0%	0%	0%	53%	0%	0%	100%
S540	MRM	0%	59%	0%	0%	0%	0%	0%	0%	41%	0%	0%	100%
S550	Life Extension	0%	59%	0%	0%	0%	0%	0%	0%	41%	0%	0%	100%

2015 NYPA LABOR RATIO CALCULATION

TABLE 4

ALLOCATION OF FACILITY LABOR WITHOUT A WBS

Cost Center	Desc	Blenheim-Gilboa	St. Lawrence	Niagara	Astoria Energy II	Flynn	Hydro	SCPP	500MW Combined Cycle	Transmission	Recharge NY	SENY	TOTAL
B111	Site Administration	$391,116	$0	$0	$0	$0	$72,449	$0	$0	$66,751	$0		$530,316
B112	Financial Services BG	$252,463	$0	$0	$0	$0	$46,766	$0	$0	$43,087	$0		$342,316
B113	Human Resources - BG	$185,366	$0	$0	$0	$0	$34,337	$0	$0	$31,636	$0		$251,339
B114	Purchasing-BG	$283,539	$0	$0	$0	$0	$52,522	$0	$0	$48,391	$0		$384,452
B116	Environmental	$79,693	$0	$0	$0	$0	$14,762	$0	$0	$13,601	$0		$108,056
B120	Warehouse-BG	$305,602	$0	$0	$0	$0	$56,609	$0	$0	$52,156	$0		$414,367
B130	Safety	$111,369	$0	$0	$0	$0	$20,630	$0	$0	$19,007	$0		$151,006
B131	Security	$1,184,996	$0	$0	$0	$0	$219,506	$0	$0	$202,240	$0		$1,606,742
B360	Vehicle Maintenance BG	$191,332	$0	$0	$0	$0	$35,442	$0	$0	$32,654	$0		$259,427
B400	Instrument & Control	$232,092	$0	$0	$0	$0	$45,115	$0	$0	$38,878	$0		$316,085
C111	Site Administration	$0	$0	$0	$0	$0	$19,293	$0	$0	$632,314	$0		$651,607
C112	Financial Services CLK	$0	$0	$0	$0	$0	$10,818	$0	$0	$354,564	$0		$365,382
C113	Human Resources - Clark	$0	$0	$0	$0	$0	$3,957	$0	$0	$129,692	$0		$133,649
C114	Purchasing-CLARK	$0	$0	$0	$0	$0	$18,386	$0	$0	$602,592	$0		$620,978
C116	Right of way Maint.	$0	$0	$0	$0	$0	$17,823	$0	$0	$584,156	$0		$601,979
C120	Warehouse-CLARK	$0	$0	$0	$0	$0	$9,428	$0	$0	$308,990	$0		$318,417
C130	Safety	$0	$0	$0	$0	$0	$4,443	$0	$0	$145,604	$0		$150,047
C131	Security	$0	$0	$0	$0	$0	$44,910	$0	$0	$1,471,911	$0		$1,516,820
C320	Mechanical Maint	$0	$0	$0	$0	$0	$30,197	$0	$0	$454,696	$0		$484,893
C330	Electrical Maint	$0	$0	$0	$0	$0	$5,301	$0	$0	$104,435	$0		$109,736
C340	Line Maintenance	$0	$0	$0	$0	$0	$2,101	$0	$0	$379,504	$0		$381,606
C360	Vehicle Maintenance Clark	$0	$0	$0	$0	$0	$11,995	$0	$0	$393,144	$0		$405,139
C400	Instrument & Control	$0	$0	$0	$0	$0	$8,128	$0	$0	$116,623	$0		$124,751
C540	MRM	$0	$0	$0	$0	$0	$45,860	$0	$0	$1,564,145	$0		$1,610,005
F111	Site Administration	$0	$0	$0	$0	$894,207	$0	$215,078	$0	$0	$0		$1,109,285
N111	Site Administration	$0	$0	$747,381	$0	$0	$0	$0	$0	$106,702	$0		$854,083
N112	Financial Services NIA	$0	$0	$487,925	$0	$0	$0	$0	$0	$69,660	$0		$557,585
N113	Human Resources - NIA	$0	$0	$117,068	$0	$0	$0	$0	$0	$16,714	$0		$133,782
N114	Purchasing-NIA	$0	$0	$488,743	$0	$0	$0	$0	$0	$69,777	$0		$558,520
N116	Environmental	$0	$0	$116,393	$0	$0	$0	$0	$0	$16,617	$0		$133,010
N120	Warehouse-NIA	$0	$0	$801,086	$0	$0	$0	$0	$0	$114,369	$0		$915,454
N130	Safety	$0	$0	$253,990	$0	$0	$0	$0	$0	$36,262	$0		$290,252
N131	Security	$0	$0	$2,765,387	$0	$0	$0	$0	$0	$394,807	$0		$3,160,194
N210	Control Room Ops	$0	$0	$150,342	$0	$0	$0	$0	$0	$24,658	$0		$175,000
N310	General Maint	$0	$0	$11,431	$0	$0	$0	$0	$0	$569	$0		$12,000
N320	Mech Maint RMPP	$0	$0	$184,798	$0	$0	$0	$0	$0	$2,029	$0		$186,827
N321	Mech Maint LPGP	$0	$0	$3,943	$0	$0	$0	$0	$0	$57	$0		$4,000
N330	Elec Maint RMPP	$0	$0	$12,458	$0	$0	$0	$0	$0	$1,542	$0		$14,000
N331	Elec Maint LPGP	$0	$0	$3,844	$0	$0	$0	$0	$0	$156	$0		$4,000
N332	Switchyard Maint	$0	$0	$2,420	$0	$0	$0	$0	$0	$6,580	$0		$9,000
N360	Vehicle Maintenance Niagara	$0	$0	$701,608	$0	$0	$0	$0	$0	$100,167	$0		$801,775
N400	Instrument & Control	$0	$0	$18,677	$0	$0	$0	$0	$0	$6,323	$0		$25,000
N540	MRM	$0	$0	$330,626	$0	$0	$0	$0	$0	$47,203	$0		$377,829
Q111	500MW Site Administration	$0	$0	$0	$0	$216,002	$0	$996,845	$1,004,828	$0	$0		$2,217,675
Q112	Financial Services 500MW	$0	$0	$0	$0	$64,494	$0	$64,494	$128,988	$0	$0		$257,977
Q114	500mw Purchasing	$0	$0	$0	$0	$103,355	$0	$103,355	$206,710	$0	$0		$413,420
Q120	500mw Warehouse	$0	$0	$0	$0	$51,703	$0	$51,703	$103,406	$0	$0		$206,812
Q131	Security	$0	$0	$0	$0	$80,842	$0	$404,209	$1,131,784	$0	$0		$1,616,835
S111	Site Administration	$0	$330,568	$0	$0	$0	$0	$0	$0	$228,027	$0		$558,594
S112	Financial Services STL	$0	$198,784	$0	$0	$0	$0	$0	$0	$137,122	$0		$335,905
S113	Human Resources - STL	$0	$84,462	$0	$0	$0	$0	$0	$0	$58,262	$0		$142,724
S114	Purchasing-STL	$0	$258,196	$0	$0	$0	$0	$0	$0	$178,104	$0		$436,300
S116	Environmental	$0	$84,653	$0	$0	$0	$0	$0	$0	$58,394	$0		$143,047
S120	Warehouse-STL	$0	$253,408	$0	$0	$0	$0	$0	$0	$174,802	$0		$428,210
S130	Safety	$0	$37,018	$0	$0	$0	$0	$0	$0	$25,535	$0		$62,553
S131	Security	$0	$33,732	$0	$0	$0	$0	$0	$0	$23,268	$0		$57,000
S320	Mech Maintenance	$0	$128,370	$0	$0	$0	$0	$0	$0	$18,885	$0		$147,256
S360	Vehicle Maintenance STL	$0	$388,840	$0	$0	$0	$0	$0	$0	$268,223	$0		$657,063
S540	MRM	$0	$109,800	$0	$0	$0	$0	$0	$0	$75,740	$0		$185,540
Overall Result		$3,217,568	$1,907,830	$7,198,122	$0	$1,410,603	$830,778	$1,835,684	$2,575,717	$10,051,321	$0	$0	$29,027,623

2015 NYPA LABOR RATIO CALCULATION

TABLE 5

ALLOCATION PERCENTAGES FOR HQ DIRECTLY ASSIGNED COST CENTERS

	Desc	Blenheim-Gilboa	St. Lawrence	Niagara	Astoria	Flynn	Hydro	SCPP	500MW	Transmission	Recharge NY	SENY	TOTAL
H116	Community Rel BG	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
H118	SENY Public & Governmental Affairs	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	10.00%	40.00%	0.00%	0.00%	40.00%	100.00%
H119	Community Rel CEC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
H120	Community Rel Nia	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
H121	Community Rel StL	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
H218	Corp Finance	0.00%	12.50%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	0.00%	25.00%	75.00%
H402	Governmental & Wholesale Billing	0.00%	2.00%	16.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	24.00%	58.00%	100.00%
H403	Key Accounts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
H404	Customer Load Forecasting	0.00%	33.00%	33.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.00%	100.00%
H405	Business,Muni,Coop,Mktng & Economic Dev	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
H406	Business Power Allocation & Compliance	0.00%	20.00%	60.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	100.00%
H407	Pricing & Energy Market Analysis	0.00%	5.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.00%	50.00%	100.00%
H408	Market Analysis & Administration	0.00%	33.00%	33.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.00%	100.00%
H410	Power Contracts	0.00%	33.00%	33.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.00%	100.00%
H412	Risk Management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	25.00%	30.00%
H502	Admin & Tech Suppt	6.36%	10.00%	20.00%	0.00%	1.25%	1.00%	0.39%	6.00%	55.00%	0.00%	0.00%	100.00%
H503	System Operations	4.07%	10.00%	20.00%	0.00%	1.00%	2.10%	0.77%	1.99%	52.07%	0.00%	8.00%	100.00%
H504	Scheduling & Settlement	5.00%	21.00%	50.00%	2.50%	0.10%	5.00%	0.70%	2.50%	0.20%	8.00%	5.00%	100.00%
H506	Operations Planning	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
H507	Transmission Plang	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
H510	Energy Resource Management	19.00%	14.00%	19.00%	5.00%	12.00%	3.00%	11.00%	17.00%	0.00%	0.00%	0.00%	100.00%
H511	Fuel Operations	0.00%	0.00%	0.00%	41.00%	11.00%	0.00%	10.00%	38.00%	0.00%	0.00%	0.00%	100.00%
H513	Resource Planning & Project Analysis	7.20%	9.10%	28.40%	12.80%	0.00%	7.40%	8.80%	11.40%	0.00%	1.90%	13.00%	100.00%

2015 NYPA LABOR RATIO CALCULATION

TABLE 6

ALLOCATION OF LABOR FOR HQ DIRECTLY ASSIGNED COST CENTERS

Cost center	Blenheim-Gilboa	St. Lawrence	Niagara	Astoria	Flynn	Hydro	SCPP	500MW Combined Cycle	Transmission	Recharge NY	SENY	TOTAL
H116	$ 216,299	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 216,299
H118	$ 0	$ 0	$ 0	$ 0	$ 73,482	$ 0	$ 73,482	$ 293,929	$ 0	$ 0	$ 293,929	$ 734,822
H119	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 117,079	$ 0	$ 0	$ 117,079
H120	$ 0	$ 0	$ 657,958	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 657,958
H121	$ 0	$ 576,819	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 576,819
H218	$ 0	$ 83,523	$ 83,523	$ 0	$ 0	$ 0	$ 0	$ 0	$ 167,046	$ 0	$ 167,046	$ 501,138
H402	$ 0	$ 25,079	$ 200,635	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 300,953	$ 727,303	$ 1,253,970
H403	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 858,683	$ 858,683
H404	$ 0	$ 239,596	$ 239,596	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 246,857	$ 726,050
H405	$ 0	$ 970,018	$ 970,018	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,940,035
H406	$ 0	$ 214,600	$ 643,801	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 214,600	$ 0	$ 1,073,001
H407	$ 0	$ 35,614	$ 106,841	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 213,682	$ 356,136	$ 712,273
H408	$ 0	$ 248,225	$ 248,225	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 255,747	$ 752,196
H410	$ 0	$ 181,648	$ 181,648	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 187,152	$ 550,447
H412	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 98,421	$ 492,106	$ 590,527
H502	$ 60,087	$ 94,476	$ 188,951	$ 0	$ 11,809	$ 9,448	$ 3,685	$ 56,685	$ 519,617	$ 0	$ 0	$ 944,757
H503	$ 110,878	$ 272,429	$ 544,857	$ 0	$ 27,243	$ 57,210	$ 20,977	$ 54,213	$ 1,418,536	$ 0	$ 217,943	$ 2,724,287
H504	$ 68,567	$ 287,981	$ 685,669	$ 34,283	$ 1,371	$ 68,567	$ 9,599	$ 34,283	$ 2,743	$ 109,707	$ 68,567	$ 1,371,337
H506	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,182,580	$ 0	$ 0	$ 1,182,580
H507	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,064,675	$ 0	$ 0	$ 1,064,675
H510	$ 481,380	$ 354,701	$ 481,380	$ 126,679	$ 304,030	$ 76,007	$ 278,694	$ 430,709	$ 0	$ 0	$ 0	$ 2,533,581
H511	$ 0	$ 0	$ 0	$ 591,855	$ 158,790	$ 0	$ 144,355	$ 548,548	$ 0	$ 0	$ 0	$ 1,443,549
H513	$ 122,280	$ 154,549	$ 482,328	$ 217,387	$ 0	$ 125,677	$ 149,454	$ 193,611	$ 0	$ 32,268	$ 220,784	$ 1,698,339
TOTAL	**$ 1,059,492**	**$ 3,739,257**	**$ 5,715,430**	**$ 970,205**	**$ 576,726**	**$ 336,909**	**$ 680,246**	**$ 1,611,979**	**$ 4,472,275**	**$ 969,632**	**$ 4,092,253**	**$ 24,224,404**

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "C"
Hatch Acres Deconstruction Budget Estimate

Summary

	Budgets	Decomissioning	Capital		Decomissioning	Capital	O&M
Planning (Incl Tank Farm, not Demin Building)	**7,500,000**						
Delete ACM Abatement portion out of Planning, 2.6M Abatement captured in demo costs		-425,000					
Re-assisgn New Utilities/Control Room to Capital			-2,650,000				
Delete study for surrounding structures. Captured in 2.4M				-100,000			
Delete new control room Study				-750,000			
Delete Law & Regualtion, Captured in 2.4M				-100,000			
Delete underground utility study _ part of 2.4M design				-500,000			
Revised Planning Total					**$ 2,975,000**	**$ 2,650,000**	
Construction /Demo (Incl Tank Farm, not Demin Building)	**59,511,000**						
Deduct O&M items				-63,300			
Delete cost for Capital Work & Re-assign			-2,660,133				
Add In Site SuperVision from Task 4.		2,049,788	-200,212				
Add in FO Yrad increase for esaclation		1,350,000					
Add in Construction Indirects included in Site Eng & PM costs for both Capitla & Demo Work Task 4.		8,905,191	-869,809				
Revised Demo Total					**$ 68,022,525**	**$ 3,730,154**	**$ 63,300**
New Control Center& Utilities	**7,000,000**						
Re-assisgn Capital Work and update per Aecom $			1,519,846			**$ 2,589,867**	
Site Engineering, Proj. Mangement, etc.	**13,100,000**						
Delete Site Supervision & add to demo& capital		-2,049,788	-200,212				
Delete Construction Indirect costs & Re-assign to Constr'n/Demo & Capital Demo Costs							
Insurance/Taxes/Other (6.1%)		-3,370,763	-329237				
Facilities and Utilities (1.23%)		-660,487	-64513				
Construction Support Services(1.4%)		-774,364	-75636				
Delete Equipment Costs (7.4%) & re-assign to Demo & Capital		-4,099,576	-400424				
Revised Site Eng. & CM Total					**$ 1,075,000**	**$ 325,000**	
Contingency	**$13,066,665**						
Adjust from 25% to 15% & re-assign Captial Work					**$ 10,810,879**	**$ 1,394,253**	**$ 9,495**
Salvage Value					-5000000		
Demin Plant Demo							
Demolition	$ 4,103,812						
Abatement	$ 917,415						
Contingency 25%	$ 1,013,284						
Site Eng & PM	$ 180,000						
Revised Demin Total					**$ 6,214,510**		
O&M Tasks- during Plant Shutdown							
Insurance							**$ 778,365**
Station Service	= MW * non station service rate*12 months						
lighting							
heat for the blowers							
Fire Protection Inspections/up keep							
Maintain Sewer pumps?							
Maintain/Inspection Telecommunications							
Snow Removal & Clearing							
					DeCommissioning	**Captial**	**O&M**
Grand Totals					**$ 84,097,914**	**$ 10,689,274**	**$ 72,795**

Task 1. Planning

Major Tasks Included in the planning activities are as follows:	Demolition Demo	Demolition Environmental	Capital	Delete	Comments
1. Asbestos abatement program (assessment and removal).Estimate based on the removal of 1,200 cubic yards of asbestos that is primarily pipe insulation.	$0	75000		$425,000	Asbestos Assessment should be in Planning, Removal to be in Constr/Demo. Move 425K to demo #. Captured in $2.6M demo portion. Delete entirely
2. Hazardous Waste Study	$0	50000			All haz mat included ACM. Add 75k from aboev item
3. Assessment of existing services to remain after controlled dismantling.	$0		$100,000		Part of new systems to be installed
4. Study to determine the impact of the controlled dismantling on adjacent structures.	$50,000			100000	Reduce by $100K assume results of findings are coordianetd in Design & Drawing item subtask 6.-2.5M
5. A study to assess the various alternatives relating to the continued operation of the control room.	$0			$ 750,000	9/18 meeting discussed keeping 50%. Can this total value be removed and assumed captured in subtask 6 - $2.5M
6. Design work related to the rerouting of existing systems and facilities to be maintained after the controlled dismantling.	$0		$2,500,000		This value seems extremely high. Gas for boiler will already be designed. Assume this task perfromed by outside vendors. What is value be for drawings and specifications
7. Possible sale of used equipment prior to the controlled dismantling.	$200,000				This is salvage Value Report. Can this be reduced to half.
8. Preparation of a tender specification for the controlled dismantling.	$2,400,000				Complete design, drawings& specs, include assessments here for underground studies, etc. Design of Oil tank demo captured
9. Study to identify all laws and regulations pertinent to the controlled dismantling.				100,000	Captured in 2.4M
10. Study to identify all underground services that will be cut and or capped below finished grade. The study would also determine what action is necessary prior to cutting and or capping the underground services.	$0			500000	Shouldn't this be part of subtask 8. $2.4Million to complete drawings and specs and complete design with a portion potentially aslo captured in subtask 6. for relocation of utlities.
11. A photographic and video record of adjacent structures prior to the controlled dismantling.	$50,000				
12. Installation of monitoring devices prior to the controlled dismantling.	$100,000				
13. Preparation of a budget and schedule.	$50,000		$50,000		split between capital and demo funds
Total	**$2,850,000**	**$125,000**	**$2,650,000**	**$1,875,000**	**$7,500,000**

2010 tasks - planned for performance in 2010

Task 2. Demolition
POLETTI DECONSTRUCTION BUDGET ESTIMATE

Description	QTY	Unit	Labor Unit	Labor Hrs	Labor $$	APPARENT CRAFT RATE (HATCH)	SUGGESTED CRAFT RATE (AECOM)	AECOM Suggested Labor $$	Mat'l Unit	Matl Cost	Subcontr.	Total Cost	13% P&O	Hatch Final9% 2010 Escaltion	Aecom Total Cost (Labor & Mat'l)	AECOM 13%p&O	AECOM inc.P&O and Escalation 2010	2010 tasks	Demo	Demo-Enviro	Demo - FO Yard	O&M	Capital	Comments/Questions for Estimators
Close Wall at Elev. Walkway	1	ls	3,500	3,500	292,810	83.66	94.50	330,750.00	55,000	55,000		347,810	393,025	428,398	385,750	435,898	$457,692		$ 457,692					Can this be capitalized:no
Construct Matl Salvage Area	1	ls						0.00		0	250,000	250,000	282,500	307,925	250,000	282,500	$296,625		$ 296,625					
Construct New Contr Room Install Equip., Connect, Test	1	ls	9,500	9,500	821,750	86.50	99.00	940,500.00	325,000	325,000		1,146,750	1,295,828	1,412,452	1,265,500	1,430,015	$1,501,516						$ 1,501,516	
Cut/Cap Yard Piping	1	ls	2,000	2,000	175,640	87.82	105.00	210,000.00	5,000	5,000		180,640	204,123	222,494	215,000	242,950	$255,098				$ 255,098			
Cut/Remove above gradeConcrete, Plant and Yard	1	ls	32,000	32,000	2,575,680	80.49	94.50	3,024,000.00	0	0		2,575,680	2,910,518	3,172,465	3,024,000	3,417,120	$3,587,976		$ 3,587,976					
Cut/Remove Boiler/Duct, etc.	1	ls	48,000	48,000	4,234,080	88.21	105.00	5,040,000.00	0	0		4,234,080	4,784,510	5,215,116	5,040,000	5,695,200	$5,979,960		$ 5,979,960					
Cut/Remove BOP Piping	1	ea	22,000	22,000	1,932,040	87.82	105.00	2,310,000.00	0	0		1,932,040	2,183,205	2,379,694	2,310,000	2,610,300	$2,740,815		$ 2,740,815					
Cut/Remove Cable Tray	1	ls	4,000	4,000	358,960	89.74	99.00	396,000.00	0	0		358,960	405,625	442,131	396,000	447,480	$469,854		$ 469,854					
Cut/Remove Conden. Tanks	1	ls	5,500	5,500	479,875	87.25	105.00	577,500.00	0	0		479,875	542,259	591,062	577,500	652,575	$685,204		$ 685,204					
Cut/Remove Condensers	1	ls	11,000	11,000	959,750	87.25	105.00	1,155,000.00	0	0		959,750	1,084,518	1,182,124	1,155,000	1,305,150	$1,370,408		$ 1,370,408					
Cut/Remove Conduit	1	ls	12,000	12,000	1,076,880	89.74	99.00	1,188,000.00	0	0		1,076,880	1,216,874	1,326,393	1,188,000	1,342,440	$1,409,562		$ 1,409,562					
Cut/Remove Critical Piping	1	ls	16,000	16,000	1,405,120	87.82	105.00	1,680,000.00	0	0		1,405,120	1,587,786	1,730,686	1,680,000	1,898,400	$1,993,320		$ 1,993,320					
Cut/Remove Electrical Cable	1	ls	9,000	9,000	807,660	89.74	99.00	891,000.00	0	0		807,660	912,656	994,795	891,000	1,006,830	$1,057,172		$ 1,057,172					
Cut/Remove FD/ID/AD Fans	1	ls	12,000	12,000	1,047,000	87.25	105.00	1,260,000.00	0	0		1,047,000	1,183,110	1,289,590	1,260,000	1,423,800	$1,494,990		$ 1,494,990					
Cut/Remove FO Stg. Tanks	1	ls	12,000	12,000	1,199,280	99.94	105.00	1,260,000.00	0	0		1,199,280	1,355,186	1,477,153	1,260,000	1,423,800	$1,494,990				$ 1,494,990			Burns & Roe carries total demo # of $477K for 2 tanks; Hatch has total for all as $2.7M. Assume with esaclation, and ACM to increase 4.1M total,
Cut/Remove Grating/HR, etc.	1	ls	12,000	12,000	1,199,280	99.94	94.50	1,134,000.00	0	0		1,199,280	1,355,186	1,477,153	1,134,000	1,281,420	$1,345,491		$ 1,345,491					
Cut/Remove Precipitators	1	ls	18,000	18,000	1,570,500	87.25	105.00	1,890,000.00	0	0		1,570,500	1,774,665	1,934,385	1,890,000	2,135,700	$2,242,485		$ 2,242,485					
Cut/Remove Steel Stacks	1	ls	4,000	4,000	352,840	88.21	105.00	420,000.00	0	0		352,840	398,709	434,593	420,000	474,600	$498,330		$ 498,330					
Cut/Remove Structural Steel	1	ls	53,000	53,000	5,296,820	99.94	94.50	5,008,500.00	0	0		5,296,820	5,985,407	6,524,093	5,008,500	5,659,605	$5,942,585		$ 5,942,585					
Cut/Remove/Cap Circ Wtr Pg	1	ls	4,000	4,000	351,280	87.82	105.00	420,000.00	5,000	5,000		356,280	402,596	438,830	425,000	480,250	$504,263		$ 504,263					
Dism/Remove Turbine, etc.	1	ls	16,000	16,000	1,396,000	87.25	105.00	1,680,000.00	0	0		1,396,000	1,577,480	1,719,453	1,680,000	1,898,400	$1,993,320		$ 1,993,320					
Dismantle Exist Contr Room and Reroute electric	1	ls	12,000	12,000	1,076,880	89.74	99.00	1,188,000.00	250,000	250,000		1,326,880	1,499,374	1,634,318	1,438,000	1,624,940	$1,706,187		$ 853,094				$ 853,094	
Disposal of Glycol	1	ls	80	80	5,172	64.65	94.50	7,560.00	0	0	25,000	30,172	34,094	37,163	32,560	36,793	$38,632					$ 38,632		part of O&M
Disposal of Non-Salvaged Non-Hazardous Materials	900	load	16	14,400	1,008,000	70.00	94.50	1,360,800.00	0	0	540,000	1,548,000	1,749,240	1,906,672	1,900,800	2,147,904	$2,255,299		$ 2,255,299					
Dispose/Recycle Batteries	1	ls	80	80	5,172	64.65	94.50	7,560.00	0	0		5,172	5,844	6,370	7,560	8,543	$8,970					$ 8,970		part of O&M
Dispose/Recycle Waste Oil	1	ls	140	140	8,982	64.16	94.50	13,230.00	0	0		8,982	10,149	11,063	13,230	14,950	$15,697					$ 15,697		
Make Safe FO Storage Tanks	1	ls						0.00		0	600,000	600,000	678,000	739,020	600,000	678,000	$711,900				$ 711,900			Burns & Roe,2001 carries $355k/1500 barrels/2tank disposed.No acm. Escalation total $4.1M
Material Salvage Operations	1	ls	42,000	42,000	3,422,160	81.48	94.50	3,969,000.00	0	0		3,422,160	3,867,041	4,215,074	3,969,000	4,484,970	$4,709,219		$ 4,709,219					define
Relocate Fire Pumps/Piping	1	ls						0.00		0	75,000	75,000	84,750	92,378	75,000	84,750	$88,988						$ 88,988	
Remove BO Transf. Yd Equip	1	ls	2,400	2,400	215,376	89.74	105.00	252,000.00	0	0		215,376	243,375	265,279	252,000	284,760	$298,998				$ 298,998			Burns & Roe carries total demo # of $477K for 2 tanks; Hatch has total for all as $2.7M. Assume with esaclation, ACM, total 4.1M
Remove Boiler Feed Pumps	1	ls	2,000	2,000	174,500	87.25	105.00	210,000.00	0	0		174,500	197,185	214,932	210,000	237,300	$249,165		$ 249,165					
Remove BOP Mech. Equip.	1	ls	12,000	12,000	1,047,000	87.25	105.00	1,260,000.00	0	0		1,047,000	1,183,110	1,289,590	1,260,000	1,423,800	$1,494,990		$ 1,494,990					
Remove Brick	1	ls	3,600	3,600	283,788	78.83	94.50	340,200.00	0	0		283,788	320,680	349,542	340,200	384,426	$403,647		$ 403,647					
Remove Bridge Crane	1	ls	800	800	69,800	87.25	105.00	84,000.00	0	0		69,800	78,874	85,973	84,000	94,920	$99,666		$ 99,666					
Remove Doors/Windows,etc	1	ls	5,500	5,500	141,955	25.81	94.50	519,750.00	0	0		141,955	160,409	174,846	519,750	587,318	$616,683		$ 616,683					
Remove Electrical Equip.	1	ls	8,000	8,000	717,920	89.74	105.00	840,000.00	0	0		717,920	811,250	884,262	840,000	949,200	$996,660		$ 996,660					
Remove Elev. Walkway	1	ls	2,000	2,000	167,320	83.66	94.50	189,000.00	0	0		167,320	189,072	206,088	189,000	213,570	$224,249		$ 224,249					
Remove HP/LP FW Heaters	1	ls	1,600	1,600	139,600	87.25	105.00	168,000.00	0	0		139,600	157,748	171,945	168,000	189,840	$199,332		$ 199,332					
Remove Main/Aux. Transfmrs	1	ls	3,200	3,200	287,168	89.74	105.00	336,000.00	0	0		287,168	324,500	353,705	336,000	379,680	$398,664		$ 398,664					
Remove Masonry	1	ls	3,000	3,000	253,260	84.42	94.50	283,500.00	0	0		253,260	286,184	311,940	283,500	320,355	$336,373		$ 336,373					
Remove Non-Haz Insulation	1	ls	4,500	4,500	364,905	81.09	99.00	445,500.00	0	0		364,905	412,343	449,453	445,500	503,415	$528,586		$ 528,586					
Remove Reboiler	1	ls	1,500	1,500	130,875	87.25	105.00	157,500.00	0	0		130,875	147,889	161,199	157,500	177,975	$186,874		$ 186,874					
Remove Roofing	1	ls	3,000	3,000	235,440	78.48	94.50	283,500.00	0	0		235,440	266,047	289,991	283,500	320,355	$336,373		$ 336,373					
Remove Water T'ment Equip.	1	ls	1,200	1,200	104,700	87.25	105.00	126,000.00	0	0		104,700	118,311	128,959	126,000	142,380	$149,499		$ 149,499					
Remove/Disp. Asbestos Insu	1	ls	19,000	19,000	1,540,710	81.09	99.00	1,881,000.00	0	0	360,000	1,900,710	2,147,802	2,341,105	2,241,000	2,532,330	$2,658,947			$ 2,658,947				$425K from Planning phase is capture within this number
Remove/Strip Bldg. Siding	1	ls	14,000	14,000	1,171,240	83.66	94.50	1,323,000.00	0	0		1,171,240	1,323,501	1,442,616	1,323,000	1,494,990	$1,569,740		$ 1,569,740					
Repair/Modify Wall at Unit # 5	1	ls	8,000	8,000	675,360	84.42	94.50	756,000.00	140,000	140,000		815,360	921,357	1,004,279	896,000	1,012,480	$1,063,104		$ 1,063,104					Can this be capitalized
Reroute gas line to Admin.	1	ls	1,500	1,500	131,730	87.82	105.00	157,500.00	25,000	25,000		156,730	177,105	193,044	182,500	206,225	$216,536						$ 216,536	
Site Restoration	1	ls	4,000	4,000	325,920	81.48	94.50	378,000.00	150,000	150,000		475,920	537,790	586,191	528,000	596,640	$626,472		$ 626,472					Can this be capitalized
FO Yard Escalation & ACM based on Tully $																					$ 1,350,000			
TOTAL DIRECT COSTS				475,000	41,238,178				955,000	955,000	1,850,000	44,043,178	49,768,791	$ 54,247,982	50,156,850	56,677,241	59,511,103		$ 51,367,738	$ 2,658,947	$ 4,110,986	$ 63,300	$ 2,660,133	$ 60,861,103

Task 3. New Control Room

	Aecom Value			
New Control Center/ Utility Relocations	$	2,589,867	**AECOM believes the number is too large Assume $5.25M Hatch accounst for 2.6M in demo #: increase by 2.6M**	
Utilities for relocation				
Natural Gas Suppy	hatch capture		$	216,536
Electrical Supply	hatch capture		$	853,094
Relay Protection				
Fire Protection	hatch capture		$	88,988
Potable water				
Underground drainage				
Sanitary Sewer Pumps				
Communicatiosn & Controls	hatch capture		$	1,501,516
			$	2,660,133

Task 4. Site Engineering

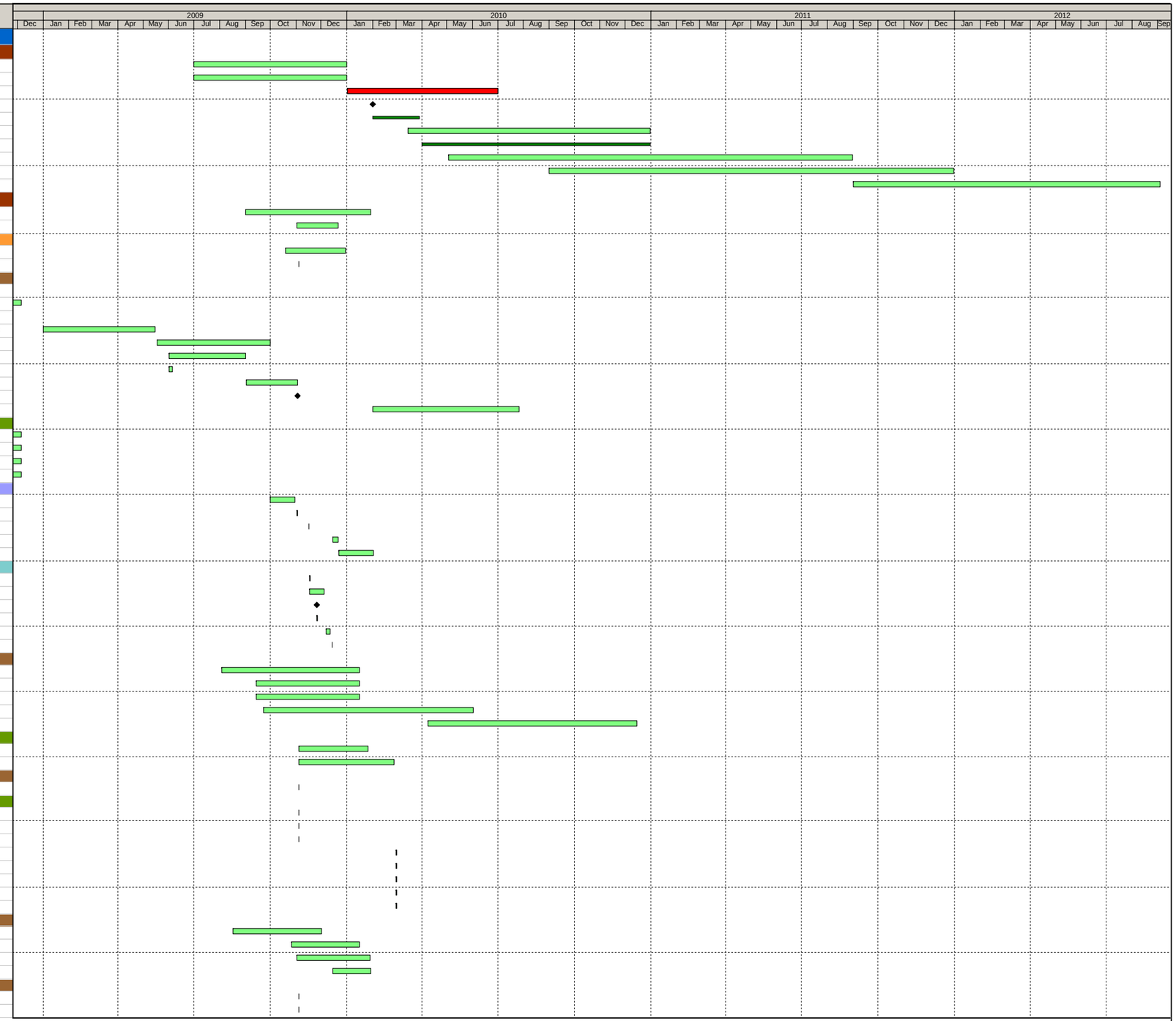
	Hatch Est.	Const'nSoft Costs	Hard costs	Decomissioning	Capital	
Site Engineering	500,000	500,000		350,000	150,000	**
Project Management	575,000	575,000		400,000	175,000	**
Site Supervision	2,250,000		2,250,000	2,049,788	200,212	*
Construction Indirect						
Insurance/Taxes/Other	3,700,000		3,700,000	3,370,763	329,237	
Facilities and Utilities	725,000		725,000	660,487	64,513	
Construction Support Services	850,000		850,000	774,364	75,636	
Total Construction Indirect						*
Construction Equipment Costs	4,500,000		4,500,000	4,099,576	400,424	*
Total	**13,100,000**	**1,075,000**	**12,025,000**			

* Part of contractors costs.
** Owners costs.

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "D"
Aecom's Poletti Decommissioning Plan

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
Poletti Power Plant Decomissioning - IPS - Update 3							
Poletti Major Activities							
AL	M1000	Define Project Tasks	132.00	132.00	0.00	01-Jul-09*	31-Dec-09
AL	M1010	Environmental & Safety Evaluation	132.00	132.00	0.00	01-Jul-09*	31-Dec-09
AL	M1020	Relocation of Critical Infrastructure: Design & Engineer	130.00	130.00	0.00	01-Jan-10*	01-Jul-10
TT	M1030	Poletti Decommissioning Date (Shutdown)	0.00	0.00	0.00	01-Feb-10	
TT	M1040	Enviro & Safety Stabilization (Shutdown)	40.19	40.19	0.00	01-Feb-10	29-Mar-10
AL	M1050	Deconstruction: Design & Engineer	210.00	210.00	0.00	15-Mar-10	31-Dec-10
TT/AL	M1070	Controlled disassembly (Selective Deconstruction)	196.60	196.60	0.00	01-Apr-10	31-Dec-10
AL	M1090	Firewatch	348.00	348.00	0.00	03-May-10*	31-Aug-11
AL	M1060	Relocation of Critical Infrastructure: Construction	348.00	348.00	0.00	01-Sep-10	30-Dec-11
AL	M1080	Deconstruction	263.00	263.00	0.00	01-Sep-11*	03-Sep-12
Poletti Pre-Decommissioning							
	1B	Develop & Finalize Shutdown Schedule	109.00	109.00	0.00	01-Sep-09*	29-Jan-10
	110	Provide environmental specifications & drawings	36.00	36.00	0.00	02-Nov-09*	21-Dec-09
Program Planning							
	PrP1000	Pre-demo & Staff Task Assessment	53.00	53.00	0.00	19-Oct-09*	30-Dec-09
	PrP1010	Establish Lay-Down/Temp Storage for Salvage Material	1.00	1.00	0.00	04-Nov-09*	04-Nov-09
Admin/PM Process							
	PM1070	Issue Draft IPS	0.00	0.00	0.00		24-Nov-08
	PM1080	NYPA Review IPS Draft	10.00	10.00	0.00	24-Nov-08	05-Dec-08
	PM1090	AECOM Issue Final IPS	0.00	0.00	0.00		05-Dec-08
	PM1030	Prepare Budgets	97.00	97.00	0.00	01-Jan-09*	15-May-09
	PM1040	Establish WBS#	98.00	98.00	0.00	18-May-09	30-Sep-09
	PM1000	Stakeholder Division of Responsibility	67.00	67.00	0.00	01-Jun-09*	01-Sep-09
	PM1050	Get PM Workorder	5.00	5.00	0.00	01-Jun-09	05-Jun-09
	PM1010	Establish Outline Deliverable Dates	44.00	44.00	0.00	02-Sep-09	02-Nov-09
	PM1020	Issue Project Overview Statement (POS)	0.00	0.00	0.00		02-Nov-09
	PM1060	Kickoff Bi-Weekly Meetings	126.00	126.00	0.00	01-Feb-10	26-Jul-10
Scope of Work (SOW)							
	SOW1000	Define SOW for System Relocation	10.00	10.00	0.00	24-Nov-08	05-Dec-08
	SOW1010	Define SOW for Selective Decommissioning	10.00	10.00	0.00	24-Nov-08	05-Dec-08
	SOW1020	Define SOW for Support Buildings/Structures to Remain	10.00	10.00	0.00	24-Nov-08	05-Dec-08
	SOW1030	Define SOW for Site Kept Equipment	10.00	10.00	0.00	24-Nov-08	05-Dec-08
Salvage Assessment FMV							
	SA1000	RFP for Salvage Consultant	22.00	22.00	0.00	01-Oct-09*	30-Oct-09
	SA1010	Sap Request/Release to Procurement	1.00	1.00	0.00	02-Nov-09	02-Nov-09
	SA1020	Post Advertisement to NYS Contract Reporter for CP	1.00	1.00	0.00	16-Nov-09	16-Nov-09
	SA1030	Award FMV	5.00	5.00	0.00	15-Dec-09	21-Dec-09
	SA1040	Perform Salvage Value Assessment	30.00	30.00	0.00	22-Dec-09	01-Feb-10
Proposal Period FMV							
	PP1000	Proposer Review Documents	1.00	1.00	0.00	17-Nov-09	17-Nov-09
	PP1030	CP Proposal Due	14.00	14.00	0.00	17-Nov-09	04-Dec-09
	PP1010	Proposal Questions Due	0.00	0.00	0.00		25-Nov-09
	PP1020	Addenda (If Required)	1.00	1.00	0.00	26-Nov-09	26-Nov-09
	PP1040	NYPA Review Proposals	5.00	5.00	0.00	07-Dec-09	11-Dec-09
	PP1050	Short List	1.00	1.00	0.00	14-Dec-09	14-Dec-09
Legal Agreements							
	L1020	O&M Agreement - Modify/Revoke Q35	120.00	120.00	0.00	03-Aug-09*	15-Jan-10
	L1000	Service Agreement - Deliver of Power & Energy	90.00	90.00	0.00	14-Sep-09*	15-Jan-10
	L1010	Planning & Supply Agreement	90.00	90.00	0.00	14-Sep-09	15-Jan-10
	L1030	Acquisition Agreement	180.00	180.00	0.00	23-Sep-09*	01-Jun-10
	L1040	Plant Closing Agreement	180.00	180.00	0.00	08-Apr-10*	15-Dec-10
New Agreements							
	NA1000	Aux Steam	60.00	60.00	0.00	04-Nov-09	26-Jan-10
	NA1010	Aux Power with Con Ed	83.00	83.00	0.00	04-Nov-09*	26-Feb-10
Assest Management							
	AM1000	Retirement of Assets	1.00	1.00	0.00	04-Nov-09*	04-Nov-09
Establish Site Kept Equipment							
	SK1050	Vehicles & Heavy Equipment	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	SK1060	Tools	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	SK1070	Office Furniture & Equipment	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	SK1000	Fans	1.00	1.00	0.00	01-Mar-10*	01-Mar-10
	SK1010	Pumps	1.00	1.00	0.00	01-Mar-10	01-Mar-10
	SK1020	Valves	1.00	1.00	0.00	01-Mar-10	01-Mar-10
	SK1030	Compressors	1.00	1.00	0.00	01-Mar-10	01-Mar-10
	SK1040	Electrical Equipment	1.00	1.00	0.00	01-Mar-10	01-Mar-10
Fuels & ERM							
	ERM1000	FOY - Sale/Transfer	77.00	77.00	0.00	17-Aug-09*	01-Dec-09
	ERM1020	Station Service - Extend/Modify/Revoke	60.00	60.00	0.00	26-Oct-09*	15-Jan-10
	ERM1030	Admin Building Power	64.00	64.00	0.00	02-Nov-09*	28-Jan-10
	ERM1010	Force/Economical Burn	34.00	34.00	0.00	15-Dec-09*	29-Jan-10
Public Notifications							
	PN1000	EPA	1.00	1.00	0.00	04-Nov-09*	04-Nov-09
	PN1010	DEC	1.00	1.00	0.00	04-Nov-09	04-Nov-09

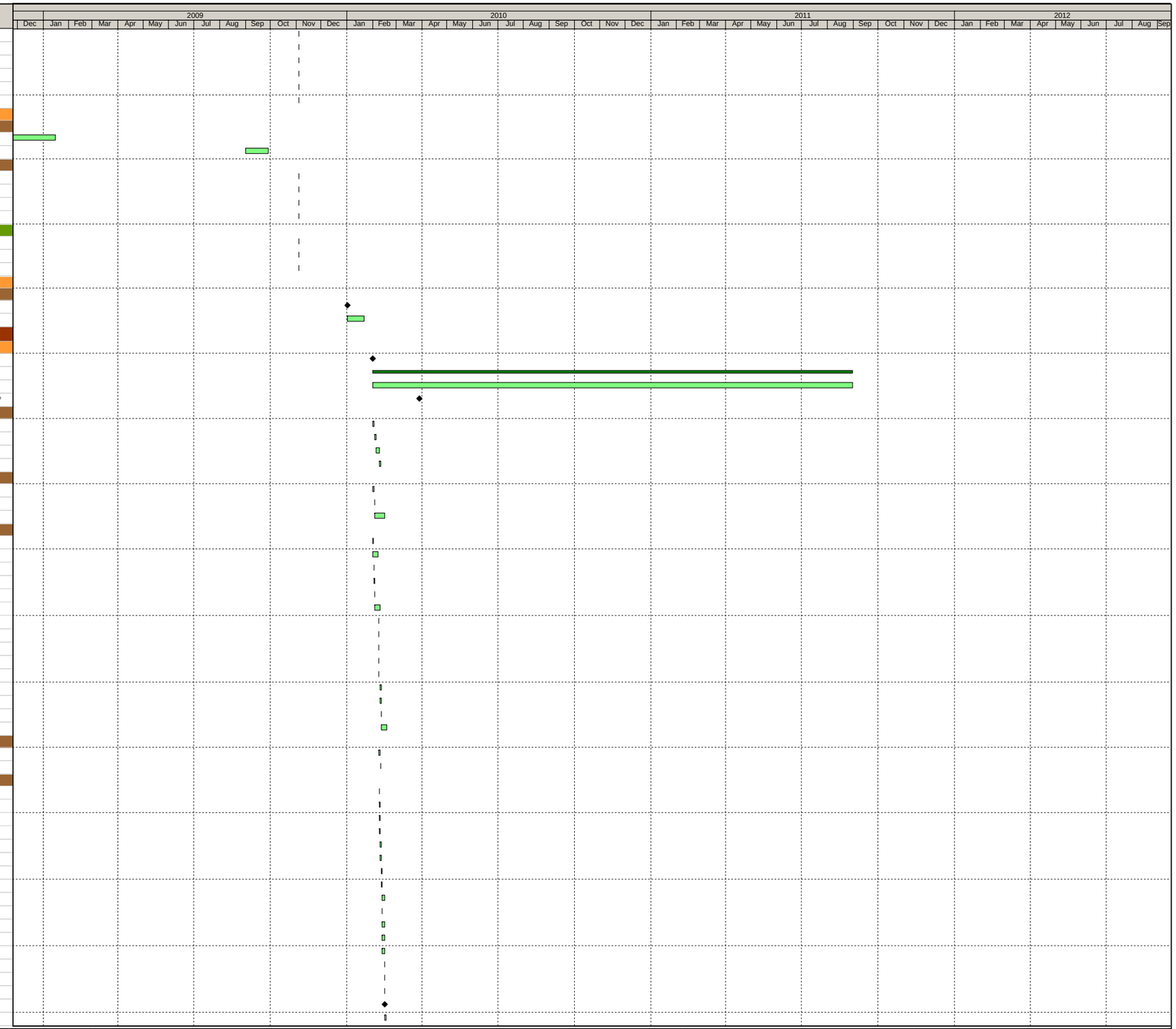


Remaining Level of Effort
Remaining Work
Longest Path
Critical Remaining Work
Actual Level of Effort
Mllestone 2
Actual Work

Poletti Power Plant Decommissioning
Overall Program IPS
In Progress - Data Date: 24-Nov-08

Page 1 of 6 - Completion Date: 03-Sep-12 - Print Date/Time: 08-Jan-10, 15:18

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
	PN1020	DEP	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	PN1030	FDNY	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	PN1040	Con ED	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	PN1050	Uspower	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	PN1060	NYISO	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	PN1070	FAA - Stack Lights	1.00	1.00	0.00	04-Nov-09	04-Nov-09
Environmental & Safety Evaluation							
Data & Drawing Collection							
	DD1010	Drawings (M,E,P,S,A)	39.00	39.00	0.00	24-Nov-08	15-Jan-09
	DD1000	Haz/Mat Reports	20.00	20.00	0.00	01-Sep-09*	28-Sep-09
Environmental & Health Safety							
	EH1000	SPDES Permit-Modify/Expire	1.00	1.00	0.00	04-Nov-09*	04-Nov-09
	EH1010	Title V Modification	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	EH1020	Bulk Fuel Storage/UST	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	EH1030	Chemical Storage/Handling	1.00	1.00	0.00	04-Nov-09	04-Nov-09
Haz/Mat Assessment							
	HM1000	Mercury & PCBs	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	HM1010	Lead	1.00	1.00	0.00	04-Nov-09	04-Nov-09
	HM1020	Asbestos	1.00	1.00	0.00	04-Nov-09	04-Nov-09
Relocation of Critical Infrastructure: Construction (System Relocation)							
Gas Line							
AL	GL100	Award Gasline relocation contract	0.00	0.00	0.00	01-Jan-10*	
AL	GL110	Construction/Testing/Commissioning	15.00	15.00	0.00	01-Jan-10	21-Jan-10
Poletti Decommissioning							
Enviro & Safety Stabilization (Shutdown)							
TT	90	Poletti Decommissioning Date (Shutdown)	0.00	0.00	0.00	01-Feb-10*	
TT	100	Environmental Compliance	413.00	413.00	0.00	01-Feb-10	31-Aug-11
TT	140	Lock out/safety compliance	413.00	413.00	0.00	01-Feb-10	31-Aug-11
	150	Poletti Decommissioning (Shutdown) Complete	0.00	0.00	0.00		29-Mar-10*
Regenerative Feedwater Heating System							
	5	62, 63, 64 & 65 Feedwater Heaters - North and South Sets	2.00	2.00	0.00	01-Feb-10	02-Feb-10
	75	Drain 62, 63, 64 & 65 Feedwater Heaters - North and South Sets	2.00	2.00	0.00	03-Feb-10	04-Feb-10
	6	66 and 67 Feedwater Heaters - North and South Sets	2.00	2.00	0.00	05-Feb-10	08-Feb-10
	86	Drain 66 and 67 Feedwater Heaters - North and South Sets	2.00	2.00	0.00	09-Feb-10	10-Feb-10
Fuel Oil Auxiliaries and Consensate Tank							
	2	Fuel Oil Meters	2.00	2.00	0.00	01-Feb-10	02-Feb-10
	3	Waste Oil Injection Pump	0.13	0.13	0.00	03-Feb-10	03-Feb-10
	93	Drain Waste Oil Injection Pump	8.00	8.00	0.00	03-Feb-10	15-Feb-10
Steam Turbine/Generator							
	13	Static Uninterruptible Power Supply Units (Static Inverters)	1.00	1.00	0.00	01-Feb-10	01-Feb-10
	95	T/G Cooling-off Period	18.00	18.00	0.00	01-Feb-10	07-Feb-10
	9	Twin Tower Hydrogen Drier	0.25	0.25	0.00	02-Feb-10	02-Feb-10
	10	Main Turn Lube Oil Coolers	1.00	1.00	0.00	02-Feb-10	03-Feb-10
	11	61 and/or 62 EH Fluid Pumps	0.25	0.25	0.00	03-Feb-10	03-Feb-10
	21	Drain 61 and/or 62 EH Fluid Pumps	4.00	4.00	0.00	03-Feb-10	09-Feb-10
	16	Lube Oil Transfer Pump	0.06	0.06	0.00	08-Feb-10	08-Feb-10
	17	Main Turb and Boiler Feed Pump Turb Lube Oil Conditioning System	0.13	0.13	0.00	08-Feb-10	08-Feb-10
	14	61 Generator Lead Cooling Fans	0.13	0.13	0.00	08-Feb-10	08-Feb-10
	14A	62 Generator Lead Cooling Fans	0.13	0.13	0.00	08-Feb-10	08-Feb-10
	15A	62 Isophase Bus Cooling Fans	0.13	0.13	0.00	08-Feb-10	08-Feb-10
	8	Hydrogen Bulk Storage Supply System	2.00	2.00	0.00	09-Feb-10	11-Feb-10
	12	Main Lube Oil System & Seal Oil System	2.00	2.00	0.00	09-Feb-10	11-Feb-10
	15	61 Isophase Bus Cooling Fans	0.13	0.13	0.00	11-Feb-10	11-Feb-10
	102	Drain Main Lube Oil System & Seal Oil System	4.00	4.00	0.00	11-Feb-10	17-Feb-10
Turbine Driven Boiler Feed Pumps							
	19	North or South Boiler Feed Pump	2.00	2.00	0.00	08-Feb-10	09-Feb-10
	20	North and/or South Boiler Feed Pump Lube Oil Purifiers	0.25	0.25	0.00	10-Feb-10	10-Feb-10
Auxiliary Water Systems							
	32	61 and/or 62 Vacuum Priming Pumps	0.25	0.25	0.00	09-Feb-10	09-Feb-10
	34A	63 or 64 Traveling Screens	0.50	0.50	0.00	09-Feb-10	09-Feb-10
	22	61 Stator Water Pump	0.25	0.25	0.00	09-Feb-10	09-Feb-10
	41	61, 62 or 63 Seal Water Injection Pumps	0.25	0.25	0.00	09-Feb-10	09-Feb-10
	42	Drain 61 Stator Water Pump	2.00	2.00	0.00	09-Feb-10	11-Feb-10
	80	Drain 61, 62 or 63 Seal Water Injection Pumps	2.00	2.00	0.00	09-Feb-10	11-Feb-10
	28	61 & 62 Circulating Water Pumps	1.00	1.00	0.00	11-Feb-10	12-Feb-10
	40	P6-1 and/or P6-2 Chilled Water Pumps	0.88	0.88	0.00	11-Feb-10	12-Feb-10
	27	61 Condenser Vacuum Pumps	1.00	1.00	0.00	12-Feb-10	15-Feb-10
	29	61 Screenwash Pumps	0.50	0.50	0.00	12-Feb-10	12-Feb-10
	31	61 and/or 62 Salt water Service Pumps	1.00	1.00	0.00	12-Feb-10	15-Feb-10
	33	61 and/or 62 Heater Drain Pumps	1.00	1.00	0.00	12-Feb-10	15-Feb-10
	26	61 Condensate Pumps	0.88	0.88	0.00	12-Feb-10	15-Feb-10
	34	61 or 62 Traveling Screens	0.50	0.50	0.00	15-Feb-10	15-Feb-10
	35	Saltwater Service Rotary Strainer	0.50	0.50	0.00	15-Feb-10	15-Feb-10
	36	61/62 Saltwater Service Pump VSD	0.50	0.50	0.00	15-Feb-10	15-Feb-10
	37	Closed Cooling Water Pumps	0.00	0.00	0.00		15-Feb-10
	49	Drain 61 and/or 62 Salt water Service Pumps	2.00	2.00	0.00	15-Feb-10	17-Feb-10



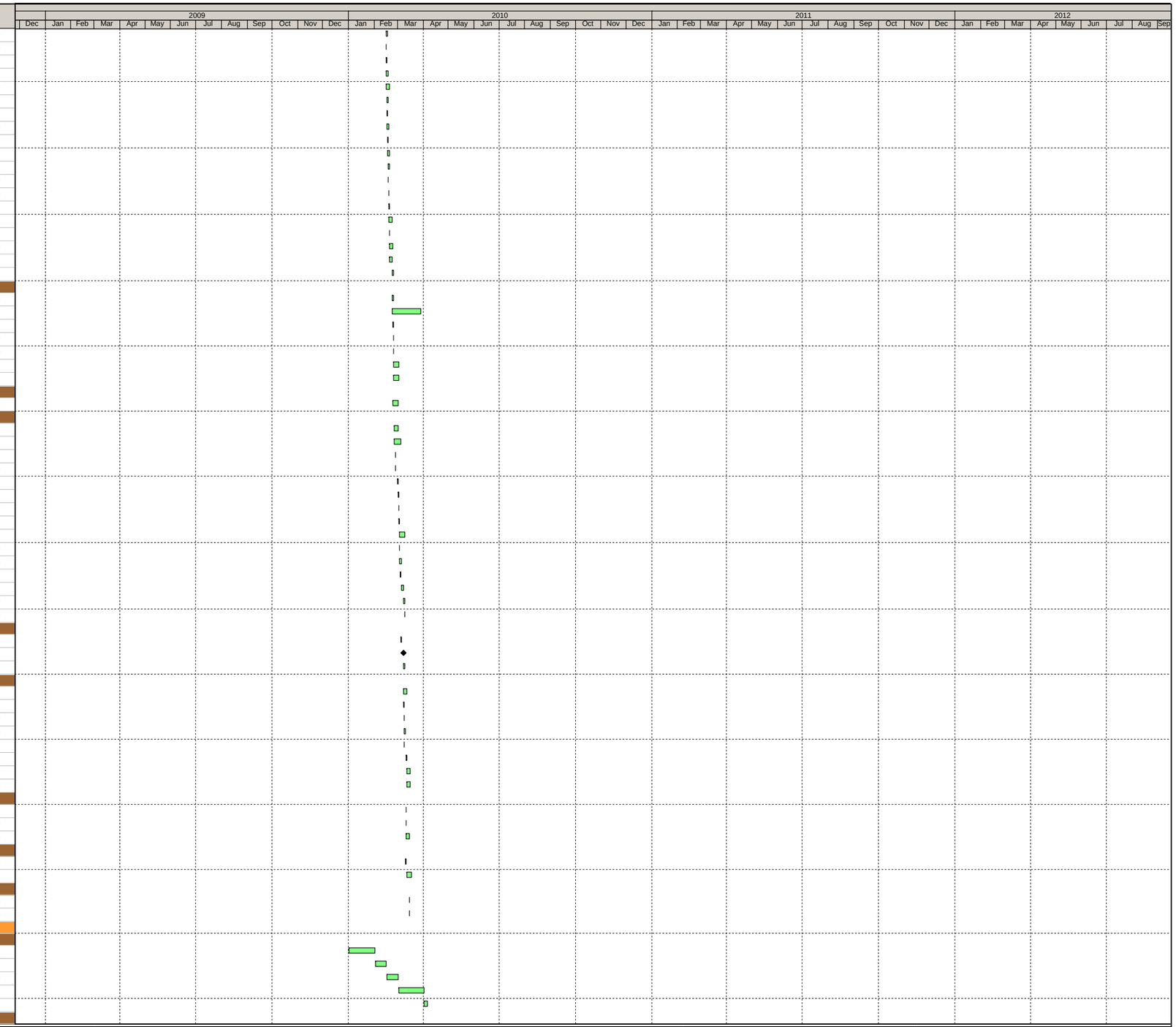
Remaining Level of Effort
Remaining Work
Longest Path
Critical Remaining Work
Actual Level of Effort
Mllestone 2
Actual Work

Poletti Power Plant Decommissioning
Overall Program IPS
In Progress - Data Date: 24-Nov-08

Page 2 of 6 - Completion Date: 03-Sep-12 - Print Date/Time: 08-Jan-10, 15:18

Page 2 of 6
Completion Date: 03-Sep-12
Print Date/Time: 08-Jan-10 - 15:18

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
	104	Drain 61 Condensate Pumps	2.00	2.00	0.00	15-Feb-10	17-Feb-10
	39	Skimming Pump	0.06	0.06	0.00	15-Feb-10	15-Feb-10
	26A	62 Condensate Pumps	0.88	0.88	0.00	15-Feb-10	16-Feb-10
	120	Drain 61/62 Saltwater Service Pump VSD	2.00	2.00	0.00	15-Feb-10	17-Feb-10
	99	Drain Skimming Pump	4.00	4.00	0.00	15-Feb-10	19-Feb-10
	27A	62 Condenser Vacuum Pumps	1.00	1.00	0.00	16-Feb-10	17-Feb-10
	29A	62 Screenwash Pumps	0.50	0.50	0.00	16-Feb-10	17-Feb-10
	26A10	Drain 62 Condensate Pumps	2.00	2.00	0.00	16-Feb-10	18-Feb-10
	30	61 & 62 Air Heater Wash Pumps	0.25	0.25	0.00	17-Feb-10	17-Feb-10
	29A10	Drain 62 Screenwash Pumps	2.00	2.00	0.00	17-Feb-10	19-Feb-10
	130	Drain 61 & 62 Air Heater Wash Pumps	2.00	2.00	0.00	17-Feb-10	19-Feb-10
	38	Condensate Transfer Pump	0.25	0.25	0.00	17-Feb-10	17-Feb-10
	25	61 & 62 Stator Pumps	0.25	0.25	0.00	18-Feb-10	18-Feb-10
	78	Drain Condensate Transfer Pump	2.00	2.00	0.00	18-Feb-10	19-Feb-10
	94	Drain 61 & 62 Stator Pumps	2.00	2.00	0.00	18-Feb-10	22-Feb-10
	24	61/62 Exciter Cooler Booster Pumps	0.25	0.25	0.00	19-Feb-10	19-Feb-10
	83	Drain 61/62 Exciter Cooler Booster Pumps	2.00	2.00	0.00	19-Feb-10	23-Feb-10
	23	62 Stator Water Pump	0.25	0.25	0.00	19-Feb-10	22-Feb-10
	84	Drain 62 Stator Water Pump	2.00	2.00	0.00	22-Feb-10	24-Feb-10
Fuel Oil System							
	44	P-10A, P-10B, or P-10C Fuel Oil Forwarding Pumps	2.00	2.00	0.00	22-Feb-10	24-Feb-10
	50	Main Boiler - Fuel Hold Off/Steam Cleaning/Pigging	25.00	25.00	0.00	22-Feb-10	29-Mar-10
	45	Fuel Oil Yard Condensate Return Pumps	0.50	0.50	0.00	23-Feb-10	24-Feb-10
	46	Fuel Oil Yard Instrument Air Compressor	0.06	0.06	0.00	24-Feb-10	24-Feb-10
	47	Fuel Oil Yard Service Air Compressor	0.06	0.06	0.00	24-Feb-10	24-Feb-10
	43	61 and/or 62 Fuel Oil Heater & Drain Cooler	4.00	4.00	0.00	24-Feb-10	02-Mar-10
	48	P-11A or P-11B Fuel Oil Transfer Pumps	4.00	4.00	0.00	24-Feb-10	02-Mar-10
Fuel Gas System							
	70	Clean Gas Lines	5.00	5.00	0.00	23-Feb-10	01-Mar-10
Main Boiler Air & Gas Flow							
	52	Main Boiler Burner Pair	3.00	3.00	0.00	25-Feb-10	01-Mar-10
	55	Main Boiler - Fan Hold Off	6.00	6.00	0.00	25-Feb-10	04-Mar-10
	53	61 and/or 62 ID Fan	0.50	0.50	0.00	26-Feb-10	26-Feb-10
	54	61 and/or 62 FD Fan	0.50	0.50	0.00	26-Feb-10	26-Feb-10
	56	61 and/or 62 AD Fan	0.50	0.50	0.00	01-Mar-10	01-Mar-10
	58	61 ID ASD Fan and/or Motor	1.00	1.00	0.00	01-Mar-10	02-Mar-10
	62	61 and/or 62 APH Sootblowers	1.00	1.00	0.00	02-Mar-10	02-Mar-10
	59	63 ID ASD Fan and/or Motor	1.00	1.00	0.00	02-Mar-10	03-Mar-10
	60	Any Main Boiler Sootblower	5.00	5.00	0.00	03-Mar-10	09-Mar-10
	65A	62 Station Air Compressor	1.00	1.00	0.00	03-Mar-10	03-Mar-10
	64	61 & 62 Instrument Air Compressors	2.00	2.00	0.00	03-Mar-10	05-Mar-10
	57	61 and/or 62 Lungstrom Rotary Air Heaters	1.00	1.00	0.00	04-Mar-10	04-Mar-10
	66	61 Instrument Air Compressor	1.00	1.00	0.00	05-Mar-10	08-Mar-10
	65	61 Station Air Compressor	1.00	1.00	0.00	08-Mar-10	09-Mar-10
	63	Air Preheater Wash Transfer Pump	0.50	0.50	0.00	09-Mar-10	09-Mar-10
Heat Exchanger System							
	68	61 and/or 62 Air Preheater Hot Water Coil Heat Exchangers	1.00	1.00	0.00	05-Mar-10	05-Mar-10
	69	61 and/or 62 Closed Cooling Water Heat Exchanger	0.00	0.00	0.00	08-Mar-10	
	89	Drain 61 and/or 62 Closed Cooling Water Heat Exchanger	2.00	2.00	0.00	08-Mar-10	09-Mar-10
Auxiliary Systems							
	71	Caustic, Phosphate & Ammonia Pumps	4.50	4.50	0.00	08-Mar-10	12-Mar-10
	72	61 and/or 62 Deaerator Heater make-up Pump	1.00	1.00	0.00	08-Mar-10	08-Mar-10
	73	Auxiliary Boiler Forced Draft Fan	0.13	0.13	0.00	09-Mar-10	09-Mar-10
	92	Drain 61 and/or 62 Deaerator Heater make-up Pump	2.00	2.00	0.00	09-Mar-10	10-Mar-10
	74	Auxiliary Boiler	0.13	0.13	0.00	09-Mar-10	09-Mar-10
	71A	Hydrazine Pumps	1.50	1.50	0.00	11-Mar-10	12-Mar-10
	91	Drain Caustic, Phosphate & Ammonia Pumps	2.00	2.00	0.00	12-Mar-10	16-Mar-10
	71A10	Drain Hydrazine Pumps	2.00	2.00	0.00	12-Mar-10	16-Mar-10
Desuperheater and Accessories							
	76	Reboiler	0.50	0.50	0.00	11-Mar-10	11-Mar-10
	77	Reboiler Feed Pump	0.50	0.50	0.00	11-Mar-10	11-Mar-10
	87	Drain Reboiler Feed Pump	2.00	2.00	0.00	11-Mar-10	15-Mar-10
Transformers							
	79	No. 61 or 62 Air Blast Breaker Air Compressors	2.00	2.00	0.00	10-Mar-10	11-Mar-10
	109	Drain No. 61 or 62 Air Blast Breaker Air Compressors	4.00	4.00	0.00	12-Mar-10	17-Mar-10
Plant HVAC Systems							
	81	Water Chillers 6-1, 2, & 3	0.13	0.13	0.00	15-Mar-10	15-Mar-10
	82	HTHW Vent Heating System	0.13	0.13	0.00	15-Mar-10	15-Mar-10
Relocation of Critical Infrastructure: Construction (System Relocation)							
Eng. Temp. Relocation Kensico RTU							
FP	RTU130	Conceptual design (site walk down)	22.00	22.00	0.00	01-Jan-10	01-Feb-10
FP	RTU160	Comments incorporated Concept accepted	10.00	10.00	0.00	02-Feb-10	15-Feb-10
FP	RTU180	Determine implementation strategy/plan (contracting schedule)	10.00	10.00	0.00	16-Feb-10	01-Mar-10
FP	RTU230	Construction	23.00	23.00	0.00	02-Mar-10	01-Apr-10
FP	RTU240	Testing/Commissioning	2.00	2.00	0.00	02-Apr-10	05-Apr-10
Eng. Fire Protectin Modifications							



NewYorkPower Authority

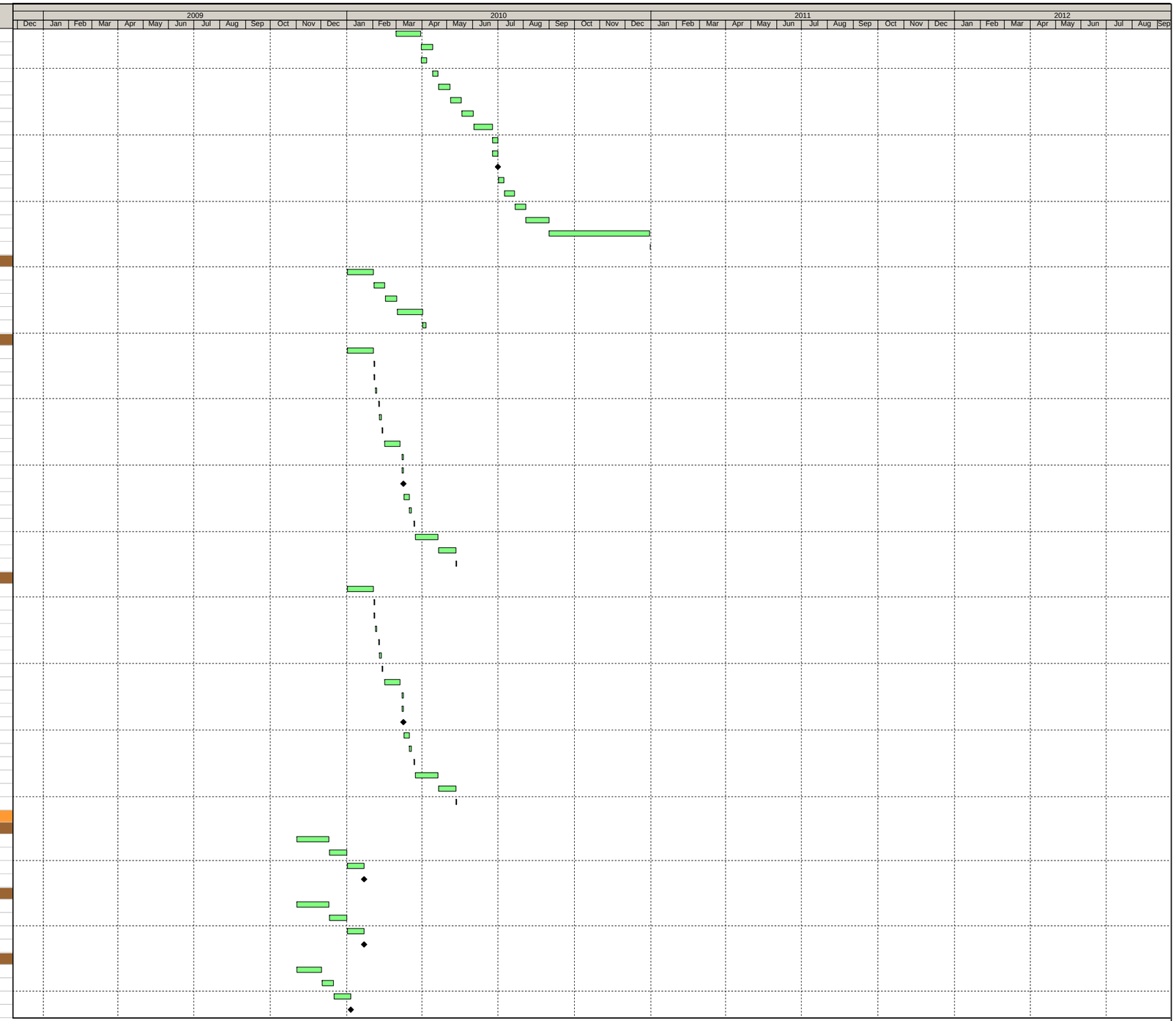
Remaining Level of Effort
Longest Path
Actual Level of Effort
Actual Work
Remaining Work
Critical Remaining Work
MIlestone 2

Poletti Power Plant Decommissioning
Overall Program IPS
In Progress - Data Date: 24-Nov-08

Completion Date: 03-Sep-12
Print Date/Time: 08-Jan-10 - 15:18

AECOM

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
WS	FP250	Conceptual design (site walk down)	22.00	22.00	0.00	01-Mar-10*	30-Mar-10
WS	FP260	Conceptual - Permitting - Environmental Review	10.00	10.00	0.00	31-Mar-10	13-Apr-10
WS	FP265	Conceptual - Code Compliance Review	5.00	5.00	0.00	31-Mar-10	06-Apr-10
WS	FP270	Inter-discipline review	5.00	5.00	0.00	14-Apr-10	20-Apr-10
WS	FP280	Comments incorporated Concept accepted	10.00	10.00	0.00	21-Apr-10	04-May-10
WS	FP290	Collect as-built data	10.00	10.00	0.00	05-May-10	18-May-10
WS	FP300	Determine implementation strategy/plan (contracting schedule)	10.00	10.00	0.00	19-May-10	01-Jun-10
WS	FP310	Prepare technical package construction dwgs & specs	17.00	17.00	0.00	02-Jun-10	24-Jun-10
WS	FP312	Technical Pkg - Permitting - Environmental Review	5.00	5.00	0.00	25-Jun-10	01-Jul-10
WS	FP315	Technical Pkg - Code Compliance Review	5.00	5.00	0.00	25-Jun-10	01-Jul-10
WS	FP317	Issue Construction Drawings	0.00	0.00	0.00		01-Jul-10
WS	FP319	Issue Construction Permit	5.00	5.00	0.00	02-Jul-10	08-Jul-10
WS	FP320	Develop budgetary cost & estimated schedule	9.00	9.00	0.00	09-Jul-10	21-Jul-10
WS	FP330	Prepare bid package if necessary	9.00	9.00	0.00	22-Jul-10	03-Aug-10
WS	FP340	Bid evaluate and award (if needed)	20.00	20.00	0.00	04-Aug-10	31-Aug-10
WS	FP350	Construction	87.00	87.00	0.00	01-Sep-10	30-Dec-10
WS	FP360	Testing/Commissioning	1.00	1.00	0.00	31-Dec-10	31-Dec-10
Eng. Temp Relocation of Y-49 Controls							
FP	Y49-370	Conceptual design (site walk down)	22.00	22.00	0.00	01-Jan-10	01-Feb-10
FP	Y49-400	Comments incorporated Concept accepted	10.00	10.00	0.00	02-Feb-10	15-Feb-10
FP	Y49-420	Determine implementation strategy/plan (contracting schedule)	10.00	10.00	0.00	16-Feb-10	01-Mar-10
FP	Y49-470	Construction	23.00	23.00	0.00	02-Mar-10	01-Apr-10
FP	Y49-480	Testing/Commissioning	2.00	2.00	0.00	02-Apr-10	05-Apr-10
Eng. Electrical Feed for Sewer ejection pits							
CK	SE850	Conceptual design (site walk down)	22.00	22.00	0.00	01-Jan-10	01-Feb-10
CK	SE860	Conceptual - Permitting - Environmental Review	2.00	2.00	0.00	02-Feb-10	03-Feb-10
CK	SE865	Conceptual - Code Compliance Review	2.00	2.00	0.00	02-Feb-10	03-Feb-10
CK	SE870	Inter-discipline review	2.00	2.00	0.00	04-Feb-10	05-Feb-10
CK	SE880	Comments incorporated Concept accepted	1.00	1.00	0.00	08-Feb-10	08-Feb-10
CK	SE890	Collect as-built data	3.00	3.00	0.00	09-Feb-10	11-Feb-10
CK	SE900	Determine implementation strategy/plan (contracting schedule)	1.00	1.00	0.00	12-Feb-10	12-Feb-10
CK	SE910	Prepare technical package construction dwgs & specs	15.00	15.00	0.00	15-Feb-10	05-Mar-10
CK	SE912	Technical Pkg - Permitting - Environmental Review	2.00	2.00	0.00	08-Mar-10	09-Mar-10
CK	SE915	Technical Pkg - Code Compliance Review	2.00	2.00	0.00	08-Mar-10	09-Mar-10
CK	SE917	Issue Construction Drawings	0.00	0.00	0.00		09-Mar-10
CK	SE919	Issue Construction Permit	5.00	5.00	0.00	10-Mar-10	16-Mar-10
CK	SE920	Develop budgetary cost & estimated schedule	3.00	3.00	0.00	17-Mar-10	19-Mar-10
CK	SE930	Prepare bid package if necessary	2.00	2.00	0.00	22-Mar-10	23-Mar-10
CK	SE940	Bid evaluate and award (if needed)	20.00	20.00	0.00	24-Mar-10	20-Apr-10
CK	SE950	Construction	15.00	15.00	0.00	21-Apr-10	11-May-10
CK	SE960	Testing/Commissioning	1.00	1.00	0.00	12-May-10	12-May-10
Electric Feed for the Fuel Oil Yard							
CK	AB490	Conceptual design (site walk down)	22.00	22.00	0.00	01-Jan-10	01-Feb-10
CK	AB500	Conceptual - Permitting - Environmental Review	2.00	2.00	0.00	02-Feb-10	03-Feb-10
CK	AB505	Conceptual - Code Compliance Review	2.00	2.00	0.00	02-Feb-10	03-Feb-10
CK	AB510	Inter-discipline review	2.00	2.00	0.00	04-Feb-10	05-Feb-10
CK	AB520	Comments incorporated Concept accepted	1.00	1.00	0.00	08-Feb-10	08-Feb-10
CK	AB530	Collect as-built data	3.00	3.00	0.00	09-Feb-10	11-Feb-10
CK	AB540	Determine implementation strategy/plan (contracting schedule)	1.00	1.00	0.00	12-Feb-10	12-Feb-10
CK	AB550	Prepare technical package construction dwgs & specs	15.00	15.00	0.00	15-Feb-10	05-Mar-10
CK	AB552	Technical Pkg - Permitting - Environmental Review	2.00	2.00	0.00	08-Mar-10	09-Mar-10
CK	AB555	Technical Pkg - Code Compliance Review	2.00	2.00	0.00	08-Mar-10	09-Mar-10
CK	AB557	Issue Construction Drawings	0.00	0.00	0.00		09-Mar-10
CK	AB559	Issue Construction Permit	5.00	5.00	0.00	10-Mar-10	16-Mar-10
CK	AB560	Develop budgetary cost & estimated schedule	3.00	3.00	0.00	17-Mar-10	19-Mar-10
CK	AB570	Prepare bid package if necessary	2.00	2.00	0.00	22-Mar-10	23-Mar-10
CK	AB580	Bid evaluate and award (if needed)	20.00	20.00	0.00	24-Mar-10	20-Apr-10
CK	AB590	Construction	15.00	15.00	0.00	21-Apr-10	11-May-10
CK	AB600	Testing/Commissioning	1.00	1.00	0.00	12-May-10	12-May-10
HOP Process (Lock Out Tag Out)							
Fuel Oil Auxiliaries & Condensate							
LP	1A20	Prepare Fuel Oil Auxiliaries and Condensate HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A270	AECOM Review of Fuel Oil Auxiliaries and Condensate HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A280	Mgt Review of Fuel Oil Auxiliaries and Condensate HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A600	Issue Fuel Oil Auxiliaries and Condensate HOP	0.00	0.00	0.00		21-Jan-10
Regenerative Feedwater Heating System							
LP	1A50	Prepare Regenerative Feedwater Heating System HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A300	AECOM Review of Regenerative Feedwater Heating System HOP D...	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A310	Mgt Review of Regenerative Feedwater Heating System HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A650	Issue Regenerative Feedwater Heating System HOP	0.00	0.00	0.00		21-Jan-10
Steam Turbine/Generator							
LP	1A60	Prepare Steam Turbine/Generator HOP Draft	22.00	22.00	0.00	02-Nov-09*	01-Dec-09
JN	1A320	AECOM Review of Steam Turbine/Generator HOP Draft	10.00	10.00	0.00	02-Dec-09	15-Dec-09
TT	1A340	Mgt Review of Steam Turbine/Generator HOP Draft	15.00	15.00	0.00	16-Dec-09	05-Jan-10
TT	1A660	Issue Steam Turbine/Generator HOP	0.00	0.00	0.00		05-Jan-10



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Actual Work

Poletti Power Plant Decommissioning
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In Progress - Data Date: 24-Nov-08

Page 4 of 6 - Completion Date: 03-Sep-12 - Print Date/Time: 08-Jan-10, 15:18

Page 4 of 6
Completion Date: 03-Sep-12
Print Date/Time: 08-Jan-10 - 15:18

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
Turbine Driven Boiler Feed Pumps							
LP	1A70	Prepare Turbine Driven Boiler Feed Pumps HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A200	AECOM Review of Turbine Driven Boiler Feed Pumps HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A220	Mgt Review of Turbine Driven Boiler Feed Pumps HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A680	Issue Turbine Driven Boiler Feed Pumps HOP	0.00	0.00	0.00		21-Jan-10
Auxiliary Water Systems							
LP	1A80	Prepare Auxiliary Water Systems HOP Draft	35.00	35.00	0.00	02-Nov-09*	18-Dec-09
JN	1A360	AECOM Review of Auxiliary Water Systems HOP Draft	15.00	15.00	0.00	21-Dec-09	08-Jan-10
TT	1A370	Mgt Review of Auxiliary Water Systems HOP Draft	15.00	15.00	0.00	11-Jan-10	29-Jan-10
TT	1A570	Issue Auxiliary Water Systems HOP	0.00	0.00	0.00		29-Jan-10
Fuel Oil System							
AS	1A90	Prepare Fuel Oil System HOP Draft	22.00	22.00	0.00	02-Nov-09*	01-Dec-09
JN	1A390	AECOM Review of Fuel Oil System HOP Draft	15.00	15.00	0.00	02-Dec-09	22-Dec-09
TT	1A400	Mgt Review of Fuel Oil System HOP Draft	15.00	15.00	0.00	23-Dec-09	12-Jan-10
TT	1A610	Issue Fuel Oil System HOP	0.00	0.00	0.00		12-Jan-10
Fuel Gas System							
AS	1A100	Prepare Fuel Gas System HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A420	AECOM Review of Fuel Gas System HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A430	Mgt Review of Fuel Gas System HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A590	Issue Fuel Gas System HOP	0.00	0.00	0.00		21-Jan-10
Main Boiler Air & Gas Flow							
AS	1A110	Prepare Main Boiler Air & Gas Flow HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A450	AECOM Review of Main Boiler Air & Gas Flow HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A460	Mgt Review of Main Boiler Air & Gas Flow HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A630	Issue Main Boiler Air & Gas Flow HOP	0.00	0.00	0.00		21-Jan-10
Heat Exchanger System							
AS	1A120	Prepare Heat Exchanger System HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A480	AECOM Review of Heat Exchanger System HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A490	Mgt Review of Heat Exchanger System HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A620	Issue Heat Exchanger System HOP	0.00	0.00	0.00		21-Jan-10
Auxiliary Systems							
AS	1A130	Prepare Auxiliary Systems HOP Draft	36.00	36.00	0.00	02-Nov-09*	21-Dec-09
JN	1A180	AECOM Review of Auxiliary Systems HOP Draft	15.00	15.00	0.00	22-Dec-09	11-Jan-10
TT	1A190	Mgt Review of Auxiliary Systems HOP Draft	15.00	15.00	0.00	12-Jan-10	01-Feb-10
TT	1A560	Issue Auxiliary Systems HOP	0.00	0.00	0.00		01-Feb-10
Desuperheater & Accessories							
AS	1A140	Prepare Desuperheater and Accessories HOP Draft	36.00	36.00	0.00	02-Nov-09*	21-Dec-09
JN	1A510	AECOM Review of Desuperheater and Accessories HOP Draft	15.00	15.00	0.00	22-Dec-09	11-Jan-10
TT	1A520	Mgt Review of Desuperheater and Accessories HOP Draft	15.00	15.00	0.00	12-Jan-10	01-Feb-10
TT	1A580	Issue Desuperheater and Accessories HOP	0.00	0.00	0.00		01-Feb-10
Transformers							
AS	1A150	Prepare Transformers HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A250	AECOM Review of Transformers HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A240	Mgt Review of Transformers HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A670	Issue Transformers HOP	0.00	0.00	0.00		21-Jan-10
Plant HVAC Systems							
LP	1A160	Prepare Plant HVAC Systems HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A540	AECOM Review of Plant HVAC Systems HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A550	Mgt Review of Plant HVAC Systems HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A640	Issue Plant HVAC Systems HOP	0.00	0.00	0.00		21-Jan-10
Bulk Gas Systems - Hydrogen, Nitrogen & CO2							
LP	1A690	Prepare Bulk Gas System HOP Draft	29.00	29.00	0.00	02-Nov-09*	10-Dec-09
JN	1A710	AECOM Review of Prepare Bulk Gas System HOP Draft	15.00	15.00	0.00	11-Dec-09	31-Dec-09
TT	1A720	Mgt Review of Prepare Bulk Gas System HOP Draft	15.00	15.00	0.00	01-Jan-10	21-Jan-10
TT	1A730	Issue Prepare Bulk Gas System HOP	0.00	0.00	0.00		21-Jan-10
Poletti Pre-Deconstruction							
AL	D1110	Mercury Containing Devices Remove/Ship	3.00	3.00	0.00	01-Apr-10*	05-Apr-10
AL	D1120	Lead Acid Batteries Remove/Ship	3.00	3.00	0.00	06-Apr-10	08-Apr-10
AL	D1130	Boiler Chemicals Disposal	1.00	1.00	0.00	09-Apr-10	09-Apr-10
AL	D1140	Circuit Boards Remove/Ship	3.00	3.00	0.00	12-Apr-10	14-Apr-10
AL	D1000	Remove Pumps Less Than 300 hp	6.48	6.48	0.00	15-Apr-10	23-Apr-10
AL	D1010	Motors 480v	3.21	3.21	0.00	23-Apr-10	28-Apr-10
AL	D1020	Pumps/Fans with 6900v Motors	2.71	2.71	0.00	28-Apr-10	03-May-10
AL	D1030	6900v Motors	2.71	2.71	0.00	03-May-10	06-May-10
AL	D1040	Motor Operators (Valves)	7.14	7.14	0.00	06-May-10	17-May-10
AL	D1050	Air Operators (Valves	7.14	7.14	0.00	17-May-10	26-May-10
AL	D1060	Instrumentation	35.71	35.71	0.00	26-May-10	15-Jul-10
AL	D1070	Skids	6.43	6.43	0.00	15-Jul-10	23-Jul-10
AL	D1080	Remove Cable Tray/Cables	43.64	43.64	0.00	23-Jul-10	23-Sep-10
AL	D1090	NAB Insulation	44.64	44.64	0.00	23-Sep-10	24-Nov-10
AL	D1100	Titanium Condenser Tubes	26.79	26.79	0.00	24-Nov-10	31-Dec-10
Poletti Deconstruction							
Component Deconstruction							
Fuel Oil Tanks (Deconstruction)							
	FO1000	Condense	75.00	75.00	0.00	03-Aug-09*	13-Nov-09
	FO1010	Operation Stripping	45.00	45.00	0.00	01-Jul-10	01-Sep-10

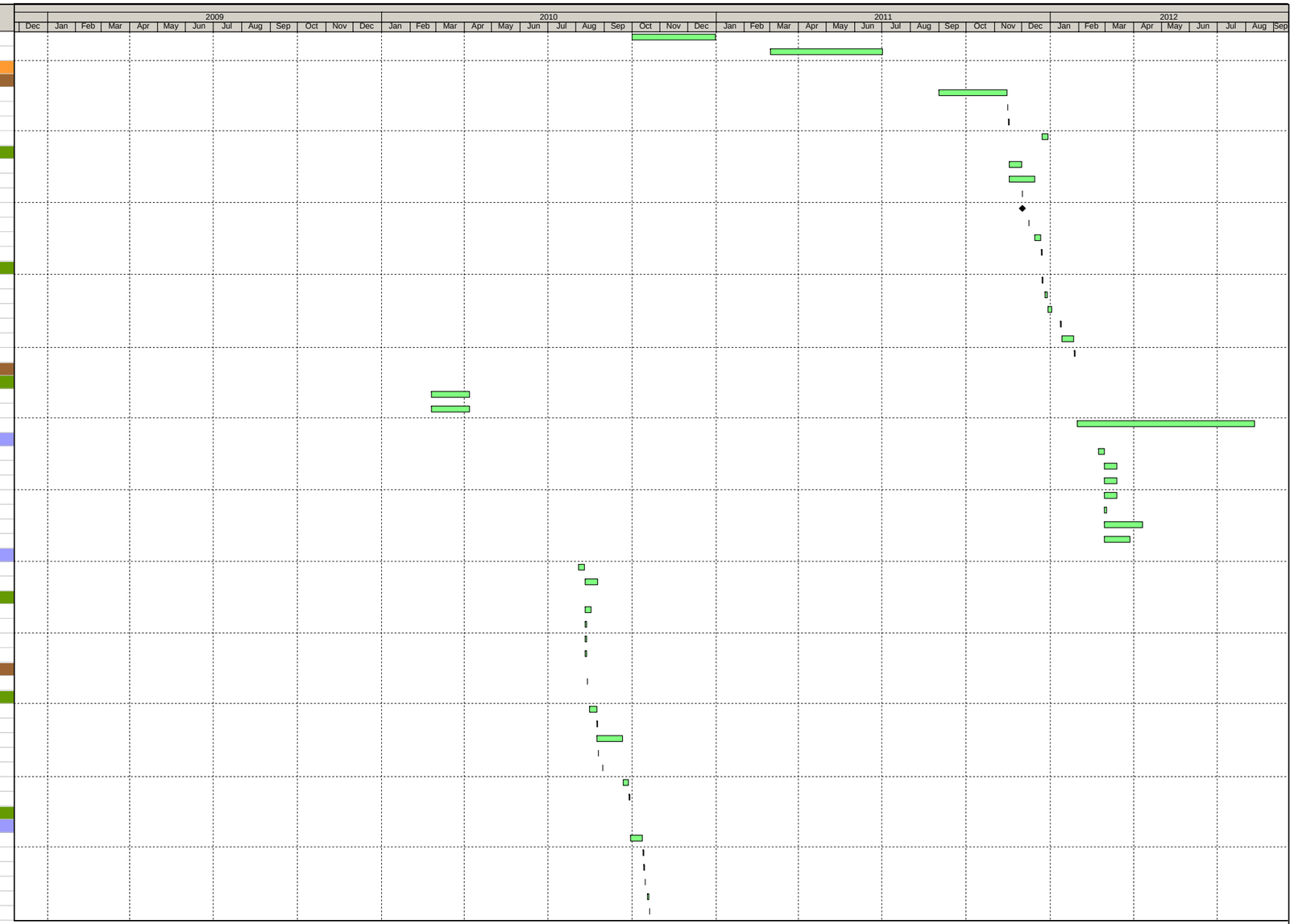
Remaining Level of Effort
Remaining Work
Longest Path
Critical Remaining Work
Actual Level of Effort
MIlestone 2
Actual Work

Poletti Power Plant Decommissioning
Overall Program IPS
In Progress - Data Date: 24-Nov-08

Page 5 of 6 - Completion Date: 03-Sep-12 - Print Date/Time: 08-Jan-10, 15:18

Page 5 of 6
Completion Date: 03-Sep-12
Print Date/Time: 08-Jan-10 - 15:18

Responsibil...	Activity ID	Activity Name	Orig Dur	Rem Dur	Act Dur	Early Start	Early Finish
	FO1020	Cleaning	66.00	66.00	0.00	01-Oct-10	31-Dec-10
	FO1030	Demolition	89.00	89.00	0.00	01-Mar-11	01-Jul-11
Deconstruction: Design & Engineer							
Hire design & Planning-Demolition							
	HD1000	RFP for Engineering Consultant - Demo drwgs & Specs	53.00	53.00	0.00	01-Sep-11*	14-Nov-11
	HD1010	SAP Req/Release to Procurement	1.00	1.00	0.00	15-Nov-11	15-Nov-11
	HD1020	Post Advertisement to NYS Contract Reporter for CP	1.00	1.00	0.00	16-Nov-11	16-Nov-11
	HD1030	Recommend Award - Demo Engineer	5.00	5.00	0.00	23-Dec-11	29-Dec-11
Proposal Period Demo Engineering							
	DE1000	Proposer Review Documents	10.00	10.00	0.00	17-Nov-11	30-Nov-11
	DE1040	Proposal Due	20.00	20.00	0.00	17-Nov-11	14-Dec-11
	DE1010	Pre-Proposal Meeting	1.00	1.00	0.00	01-Dec-11	01-Dec-11
	DE1020	Proposal Questions Due	0.00	0.00	0.00		01-Dec-11
	DE1030	Addenda (If Required)	1.00	1.00	0.00	08-Dec-11	08-Dec-11
	DE1050	NYPA Review Proposals	5.00	5.00	0.00	15-Dec-11	21-Dec-11
	DE1060	Short List	1.00	1.00	0.00	22-Dec-11	22-Dec-11
Award Phase => than $3M or > 1 Year							
	AP1000	Prepare Trustee Documents	1.00	1.00	0.00	23-Dec-11	23-Dec-11
	AP1010	1st Draft to SO for Pres. Review	3.00	3.00	0.00	26-Dec-11	28-Dec-11
	AP1020	Final Draft to SO for Pres. Review	3.00	3.00	0.00	29-Dec-11	02-Jan-12
	AP1030	Pres. Review Mtg - Executive Management Committee	1.00	1.00	0.00	12-Jan-12	12-Jan-12
	AP1040	Final Materials for Trustee Submission	10.00	10.00	0.00	13-Jan-12	26-Jan-12
	AP1050	Trustee Presentation & Approval	1.00	1.00	0.00	27-Jan-12	27-Jan-12
Prepare Demolition Package							
Drawing & Specification - Demolition							
	DS1010	Review/Study Communications - Admin, 500MW, New Structure	30.00	30.00	0.00	24-Feb-10*	06-Apr-10
	DS1020	Review Cooling Water Inlets - Remove, Block	30.00	30.00	0.00	24-Feb-10	06-Apr-10
	DS1000	Bi-Weekly Project Status/Stakeholder Review	140.00	140.00	0.00	30-Jan-12	10-Aug-12
90% Drawings & Specs - Demolition							
	90D1000	Site Review	5.00	5.00	0.00	22-Feb-12*	28-Feb-12
	90D1010	Fair Cost Estimate & Bid Sheet	10.00	10.00	0.00	29-Feb-12	13-Mar-12
	90D1020	Discipline Scope of Work Items	10.00	10.00	0.00	29-Feb-12	13-Mar-12
	90D1030	Division 1 & SGCs	10.00	10.00	0.00	29-Feb-12	13-Mar-12
	90D1040	Prep Req	3.00	3.00	0.00	29-Feb-12	02-Mar-12
	90D1050	Code Compliance/Permit Review	30.00	30.00	0.00	29-Feb-12	10-Apr-12
	90D1060	Hire Construction Inspector	20.00	20.00	0.00	29-Feb-12	27-Mar-12
100% Drawings & Spec							
	100D1000	NYPA Final Review	5.00	5.00	0.00	04-Aug-10*	10-Aug-10
	100D1010	Submit Construction Permit	10.00	10.00	0.00	11-Aug-10	24-Aug-10
Release to Procurement for Demo							
	RP1000	Finalize & Compile RFP (Div 1+ Drwgs 7 Specs)	5.00	5.00	0.00	11-Aug-10	17-Aug-10
	RP1010	Bid List	2.00	2.00	0.00	11-Aug-10	12-Aug-10
	RP1020	Prep PMA	2.00	2.00	0.00	11-Aug-10	12-Aug-10
	RP1030	Saq Req	2.00	2.00	0.00	11-Aug-10	12-Aug-10
Bid Evaluation/Award							
	BA1000	Post Advertisement to NYS Contract Reporter for CP	1.00	1.00	0.00	13-Aug-10	13-Aug-10
Proposal Period							
	PR1000	Proposer Review Documents	6.00	6.00	0.00	16-Aug-10	23-Aug-10
	PR1010	Pre-Proposal Meeting	1.00	1.00	0.00	24-Aug-10	24-Aug-10
	PR1040	Proposal Due	20.00	20.00	0.00	24-Aug-10	20-Sep-10
	PR1020	Proposal Questions Due	1.00	1.00	0.00	25-Aug-10	25-Aug-10
	PR1030	Addenda (If Required)	1.00	1.00	0.00	30-Aug-10	30-Aug-10
	PR1050	NYPA Review Proposals	5.00	5.00	0.00	21-Sep-10	27-Sep-10
	PR1060	Short List	1.00	1.00	0.00	28-Sep-10	28-Sep-10
Award Phase							
If > than $3M or > 1 Year							
	IF1000	Prepare Trustee Documents	10.00	10.00	0.00	29-Sep-10	12-Oct-10
	IF1010	1st Draft to SO for Pres. Review	1.00	1.00	0.00	13-Oct-10	13-Oct-10
	IF1020	Final Draft to SO for Pres. Review	1.00	1.00	0.00	14-Oct-10	14-Oct-10
	IF1030	Pres. Review Mtg - Executive Management Committee	1.00	1.00	0.00	15-Oct-10	15-Oct-10
	IF1040	Final Materials for Trustee Submission	2.00	2.00	0.00	18-Oct-10	19-Oct-10
	IF1050	Trustee Presentation & Approval	1.00	1.00	0.00	20-Oct-10	20-Oct-10



Remaining Level of Effort
Longest Path
Actual Level of Effort
Actual Work
Remaining Work
Critical Remaining Work
Mllestone 2

Poletti Power Plant Decommissioning
Overall Program IPS
In Progress - Data Date: 24-Nov-08

Completion Date: 03-Sep-12
Print Date/Time: 08-Jan-10 - 15:18

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "E"
Poletti Decommissioning Plan – Broad Scope

PROJECT OVERVIEW STATEMENT	Project Name: Poletti Decommissioning	Project No: 459	Project Manager: A. E. Luongo

Project Description:

The Poletti Decommissiong Project entails the demolition of the Demin Plant, the Demolition of the FOY including tank stripping and enviro cleaning, and Shutdown and demolition of the Poletti plant.

On August 3, 2009, NYPA issued a written notice to the PSC that the 825MW plant would cease operation on January 31, 2010.

Project Justification: Safety/ Regulatory

As part of the approval to construct the new 500MW Combined Cycle Power Plant, NYPA entered into a stipulation agreement (the Stipulation) with NYC, other NYS agencies and public interest groups that required the Poletti Plant to cease operation by January 31, 2008 depending on the annual generating capacity and the projected peak demand for NYC. The Stipulation has provisions for Poletti to continue generation through January 31, 2010. There are no mechanisms in place which allow for continued generation beyond that date. NYPA has evaluated different lay-up and decommissioning options but the plan for 2010-2013 will be complete decommissioning and demolition.

Goals:

Comply with the Stipulation and cease generation on January 31, 2010.
Environmental and Safety stabilization of the power plant during first 90 days post cease of generation to reduce NYPA liability.
Salvage of Valuable Assets.
Amend all emissions, discharge and operation agreements and permits.
Utilize NYPA staff to perform pre-demolition work and prepare for final demolition.
Relocate critical infrastructure
Design demolition to grade.

Schedule:

Task	Dur	Planned Start	Planned Finish
Define Project Tasks	6 mo	Jul 1,'09	Dec. 31 '09
Environmental & Safety Evaluation	3 mo	Jul 1 '09	Dec 1 '09
Relocation of Critical Infrastructure: Design & Engineer	6 mo	Jan 1 '10	Apr 1-Jun 1'10
Poletti Decommissioning Date	1D	Feb 1 '10	Feb 1 '10
Shutdown- Enviro & Safety Stabilization	3 mo	Feb 1 '10	Apr -May 1 '10
Deconstruction: Design & Engineer	8 mo	Mar 1 '10	Jan 1 '11
Relocation of Critical Infrastructure: Construction	10 mo	Sept 1 '10	Dec 31 '11
Pre-Demolition &Selective disassembly	8 mo	Apr -May '10	Dec '10- Jul '11
Deconstruction	12 mo	Sept '11 - April '12	Dec '12- Apr '14

Assumptions:

1. Planning Phase: All stakeholders are outlining their responsibilities and planning resource allocation as appropriate to maintain the proposed schedule.
2. Site Operations will performing a safety and environmental assessment, system by system, to assure the plant is left in a "safe" condition immediately (within 90 days) of shutdown
3. Power demand will be reduced to only lighting, ventilation and minimal receptacle power through deconstruction.
4. Gas supply will be immediately shutdown (within 30-60 days) of decommissioning. Alternate gas supply for the Admin Building boiler shall be designed and installed targeting Feb/Mar. 1, 2010 completion.
5. The Administration Building will remain on site and is not scheduled for future demolition.
6. Engineering is reviewing other buildings/structures that may required demolition once Poletti Plant is OOS
7. This will be an irreversible shutdown, no lay-up options or protection of equipment for future operation is being planned

Division of Responsibility:

1. ***Project Management*:** Prepare budgets and funding expenditure approvals; Maintain budget and schedule; Manage the planning, design and construction/deconstruction phases of the project. Hire design engineer to prepare technical specifications and drawings for the deconstruction phase of the project. Coordinate with all stakeholders

2. ***Poletti O&M*:** Perform safety & environmental assessment of systems to outline procedures for Operations to perform final LOTO and safe-off of the plant after cessation of generation. Coordinate with PM, Environmental, and Engineering to provide project support, operations knowledge and review during all phases of the project.

3. ***Engineering*:** Prepare technical criteria, scopes of work, specifications and drawings for the utility relocation phase of the project; Provide drawing and specification review of the O/E deconstruction package(s); Provide coordinated plans & specs for the utility relocations and recommend packaging work together; Each engineering discipline will serve as the lead engineer for their work package and will furnish coordinated plans & specs.
   - **Mechanical:** Relocate Admin building gas supply on or before March 1, 2010; Design new fire protection system including but not limited to: removed/relocate interior pumps, new building, new feeds. Coordinate with EE, CE, CC & NYFD. Drain existing fire system. Heat will be required for the building until fire protection no longer needed; Design FOY demo package.

   - **Electrical:** Confirm Poletti Station Service load requirements. Confirm post shutdown power requirements (Security, FOY, Aux blds, other?). Provide drawings & specs for design new feeds for post shutdown power requirement. Recommend new equipment required to support post shutdown power distribution.

   - **Protection & Controls:** Provide technical Plans & specs for modifications, additions, deletions to all relay and protection effect by the Poletti project. Q35 L&M protection will remain in place until AEII work and L&M Feeder relocations begin.
   - Review and provide engineering support for all phases of Decommissioning.

   - **Computer Apps:** Design of relocation for Kensico RTU, Y-49, SCPP. Assist with work packages for temporary relocations to support an un-manned Poletti control room. Produce final packages in conjunction with IT/Network Services for all required remaining circuits. Verify scope required for 500MW controls.

   - **Environmental:** Review all permits (SPDES, Title V, Bulk Fuel Oil) and prepare timeline for revision to permit dates; Provide review and support for modification and/or termination of all environmental permits. Prepare technical scope to handle testing, abatement, disposal and monitoring of ACM, lead, PCB's, chemicals and all hazmat etc. Prepare & File site plan with DEC for FOY decommissioning; Prepare environmental cleaning package for FOY; Coordinate with ME for FOY demo; Recommend future of intake structure & discharge canal ; Coordinate chemical inventory depletion & cleanup; Coordinate and support Enviro shutdown with Operations and waste disposal. Review and support of O/E design drawings for demolition including oil water separator, discharge canal, etc.

   - **Civil Engineering:** Provide support for review of demolition and decommissioning plans and specifications prepared by O/E. Coordinate with stakeholders to provide civil design & review for relocation packages, i.e. new fire pumphouse, discharge canl and intake structure, etc.
   - **Code Compliance**: Provide Support and document review at all stages of engineering. Issue Construction permits for work.

   - ***D&D*:** Prepare design and drawing support for the utility relocation work and as-built documentation post deconstruction. Perform drawing collection for reference documents.
4. **IT/Network Services:** Review, coordination and design support as necessary for data routing, ECC lines and all Poletti circuits. Produce plans and specification as necessary for new infrastructure and relocations. Coordination with vendors (AT&T, Verizon, etc) where necessary to complete work.

5. ***Procurement*:** Provide support for issuance of multiple RFP's, contract administration, Assets retirement, etc throughout the entire project.

6. ***ERM:*** Coordinate with Site on Fuel oil depletion, Notifications as necessary to remove generator from the market. Support PM, Legal, Site in station service agreement review, etc.

7. ***Legal***: Review and modify all operating agreements, permit modifications, purchasing agreements, as necessary to support decommissioning. Provide Legal review of all regulatory and legal matters which may present.
8. ***Asset Management:*** Provide support and coordination for asset retirement.
9. ***Public Relations & Gov't Affairs*:** Provide support and communication as necessary to the public.
10. ***Corporate Communications:*** Provide support and communication as necessary to the public and other agencies.

Stakeholders:

Paul Tartaglia	SENY Site	Brad Van Auken	Engineering
John Canale	Project Management	William Stanton	Mechanical Engineering
Randy Crissman	Business Development	James Sheldon	Electrical Engineering
John Kahabka	Environmental & Health Safety	Robert Knowlton	Civil Engineering
Gerald Goldstein	Legal	Fred Pagano	Protection & Controls
Tom Tyrell	Operations Site	Gerald Mannarino	Computer Applications
Bert Cunningham	Public Relations	Moe Ansari	Design&Drafting
Ira Fine	Corporate Communications	Patricia Leto	Procurement
Gary Schmid	IT/Network Services	William Nadeau	Energy Resource Management
Ed Rider	Asset Management		

Prepared By:	Date:	Approved By:	Date:
Andrea E. Luongo Project Engineer	January 4, 2010	Vice President Project Management	

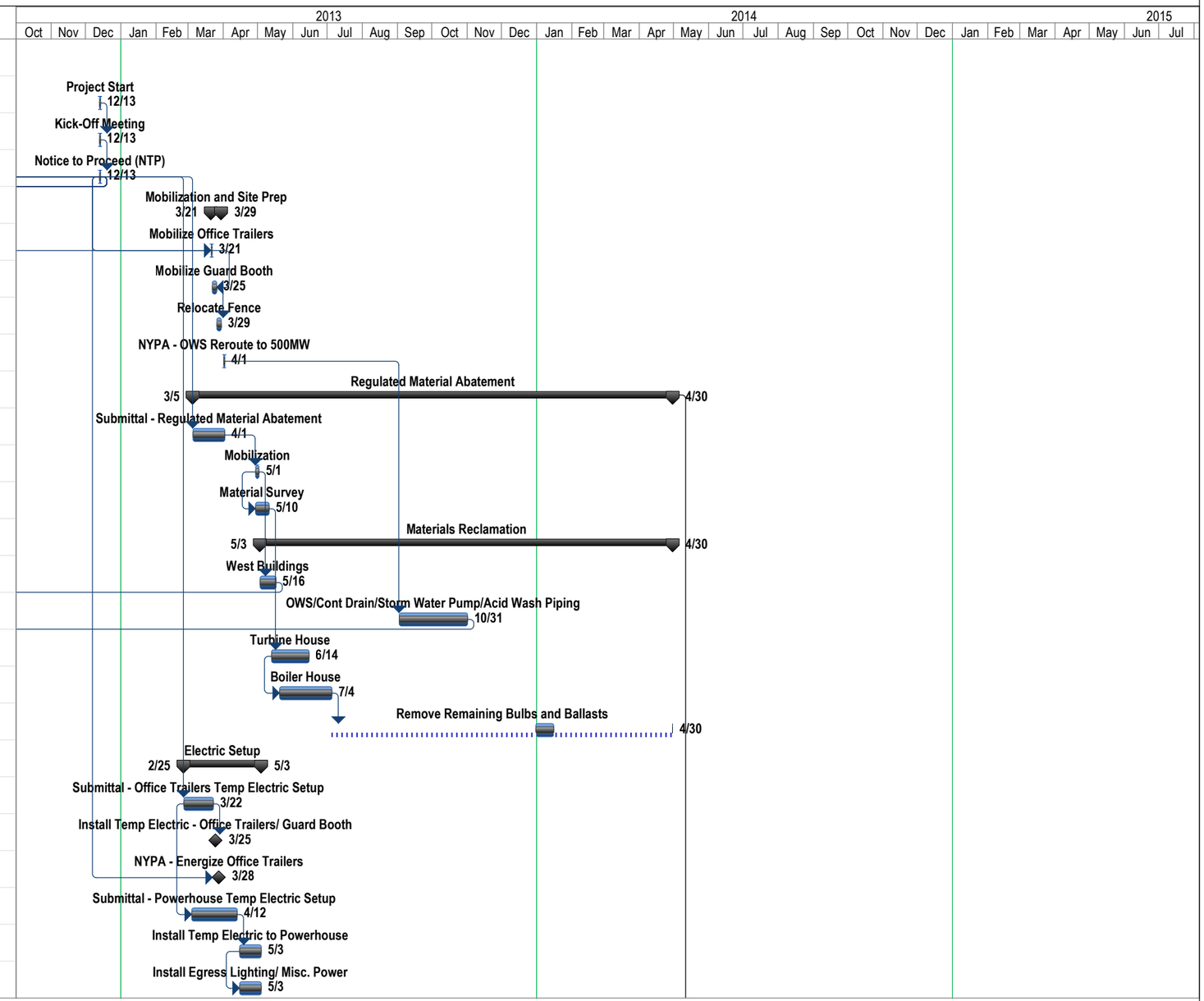
Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "F"
LVI Poletti Decommissioning Schedule

LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

Data Date : 9/16/2014

ID	Task Name	% Complete	Actual Start	Actual Finish	Duration	Start
1	**1 DEMOLITION_CHARLES POLETTI POWER PLANT**	**89%**	**Thu 12/13/12**	**NA**	**486 days**	**Thu 12/13/12**
2	1.1 Project Start	100%	Thu 12/13/12	Thu 12/13/12	1 day	Thu 12/13/12
3	1.2 Kick-Off Meeting	100%	Thu 12/13/12	Thu 12/13/12	1 day	Thu 12/13/12
4	1.3 Notice to Proceed (NTP)	100%	Thu 12/13/12	Thu 12/13/12	1 day	Thu 12/13/12
5	**1.4 Mobilization and Site Prep**	**100%**	**Thu 3/21/13**	**Fri 3/29/13**	**7 days**	**Thu 3/21/13**
6	1.4.1 Mobilize Office Trailers	100%	Thu 3/21/13	Thu 3/21/13	1 day	Thu 3/21/13
7	1.4.2 Mobilize Guard Booth	100%	Fri 3/22/13	Mon 3/25/13	2 days	Fri 3/22/13
8	1.4.3 Relocate Fence	100%	Tue 3/26/13	Fri 3/29/13	4 days	Tue 3/26/13
9	1.5 NYPA - OWS Reroute to 500MW	100%	Mon 4/1/13	Mon 4/1/13	1 day	Mon 4/1/13
10	**1.6 Regulated Material Abatement**	**100%**	**Tue 3/5/13**	**Wed 4/30/14**	**299.11 days**	**Tue 3/5/13**
11	1.6.1 Submittal - Regulated Material Abatement	100%	Tue 3/5/13	Mon 4/1/13	20 days	Tue 3/5/13
12	1.6.2 Mobilization	100%	Mon 4/29/13	Wed 5/1/13	3 days	Mon 4/29/13
13	1.6.3 Material Survey	100%	Mon 4/29/13	Fri 5/10/13	10 days	Mon 4/29/13
14	**1.6.4 Materials Reclamation**	**100%**	**Fri 5/3/13**	**Wed 4/30/14**	**256.11 days**	**Fri 5/3/13**
15	1.6.4.1 West Buildings	100%	Fri 5/3/13	Thu 5/16/13	10 days	Fri 5/3/13
16	1.6.4.2 OWS/Cont Drain/Storm Water Pump/Acid Wash Piping	100%	Mon 9/2/13	Thu 10/31/13	44 days	Mon 9/2/13
17	1.6.4.3 Turbine House	100%	Mon 5/13/13	Fri 6/14/13	25 days	Mon 5/13/13
18	1.6.4.4 Boiler House	100%	Mon 5/20/13	Thu 7/4/13	35 days	Mon 5/20/13
19	1.6.4.5 Remove Remaining Bulbs and Ballasts	100%	Fri 7/5/13	Wed 4/30/14	11 days	Fri 7/5/13
20	**1.7 Electric Setup**	**100%**	**Mon 2/25/13**	**Fri 5/3/13**	**50 days**	**Mon 2/25/13**
21	1.7.1 Submittal - Office Trailers Temp Electric Setup	100%	Mon 2/25/13	Fri 3/22/13	20 days	Mon 2/25/13
22	1.7.2 Install Temp Electric - Office Trailers/ Guard Booth	100%	Mon 3/25/13	Mon 3/25/13	0 days	Mon 3/25/13
23	1.7.3 NYPA - Energize Office Trailers	100%	Thu 3/28/13	Thu 3/28/13	0 days	Thu 3/28/13
24	1.7.4 Submittal - Powerhouse Temp Electric Setup	100%	Mon 3/4/13	Fri 4/12/13	30 days	Mon 3/4/13
25	1.7.5 Install Temp Electric to Powerhouse	100%	Mon 4/15/13	Fri 5/3/13	15 days	Mon 4/15/13
26	1.7.6 Install Egress Lighting/ Misc. Power	100%	Mon 4/15/13	Fri 5/3/13	15 days	Mon 4/15/13



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

Task		Milestone		Project Summary		Critical Split	
Split		Summary		Critical		Progress	

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LVI SERVICES INC.

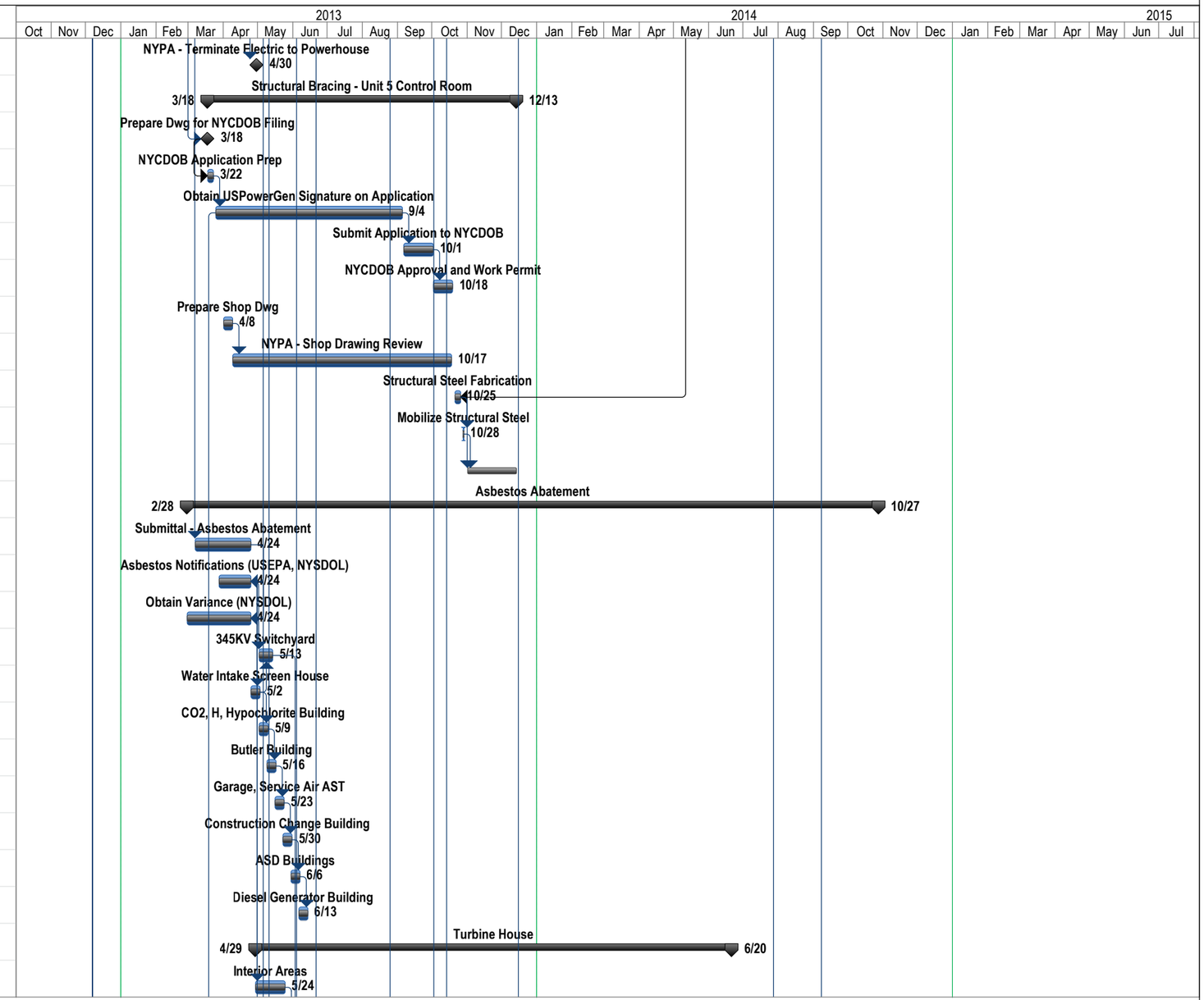
NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

Project Schedule

LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

Data Date : 9/16/2014

ID	Task Name	% Complete	Actual Start	Actual Finish	Duration	Start
27	1.7.7 NYPA - Terminate Electric to Powerhouse	100%	Tue 4/30/13	Tue 4/30/13	0 days	Tue 4/30/13
28	**1.8 Structural Bracing - Unit 5 Control Room**	**100%**	**Mon 3/18/13**	**Fri 12/13/13**	**195 days**	**Mon 3/18/13**
29	1.8.1 Prepare Dwg for NYCDOB Filing	100%	Mon 3/18/13	Mon 3/18/13	0 days	Mon 3/18/13
30	1.8.2 NYCDOB Application Prep	100%	Mon 3/18/13	Fri 3/22/13	5 days	Mon 3/18/13
31	1.8.3 Obtain USPowerGen Signature on Application	100%	Mon 3/25/13	Wed 9/4/13	120 days	Mon 3/25/13
32	1.8.4 Submit Application to NYCDOB	100%	Fri 9/6/13	Tue 10/1/13	18 days	Fri 9/6/13
33	1.8.5 NYCDOB Approval and Work Permit	100%	Wed 10/2/13	Fri 10/18/13	13 days	Wed 10/2/13
34	1.8.6 Prepare Shop Dwg	100%	Mon 4/1/13	Mon 4/8/13	6 days	Mon 4/1/13
35	1.8.7 NYPA - Shop Drawing Review	100%	Tue 4/9/13	Thu 10/17/13	140 days	Tue 4/9/13
36	1.8.8 Structural Steel Fabrication	100%	Mon 10/21/13	Fri 10/25/13	5 days	Mon 10/21/13
37	1.8.9 Mobilize Structural Steel	100%	Mon 10/28/13	Mon 10/28/13	1 day	Mon 10/28/13
38	1.8.10 Install Structural Bracing	100%	Fri 11/1/13	Fri 12/13/13	29 days	Fri 11/1/13
39	**1.9 Asbestos Abatement**	**99%**	**Thu 2/28/13**	**NA**	**431 days**	**Thu 2/28/13**
40	1.9.1 Submittal - Asbestos Abatement	100%	Thu 3/7/13	Wed 4/24/13	35 days	Thu 3/7/13
41	1.9.2 Asbestos Notifications (USEPA, NYSDOL)	100%	Thu 3/28/13	Wed 4/24/13	20 days	Thu 3/28/13
42	1.9.3 Obtain Variance (NYSDOL)	100%	Thu 2/28/13	Wed 4/24/13	40 days	Thu 2/28/13
43	1.9.4 345KV Switchyard	100%	Thu 5/2/13	Mon 5/13/13	8 days	Thu 5/2/13
44	1.9.5 Water Intake Screen House	100%	Thu 4/25/13	Thu 5/2/13	6 days	Thu 4/25/13
45	1.9.6 CO2, H, Hypochlorite Building	100%	Thu 5/2/13	Thu 5/9/13	6 days	Thu 5/2/13
46	1.9.7 Butler Building	100%	Thu 5/9/13	Thu 5/16/13	6 days	Thu 5/9/13
47	1.9.8 Garage, Service Air AST	100%	Thu 5/16/13	Thu 5/23/13	6 days	Thu 5/16/13
48	1.9.9 Construction Change Building	100%	Thu 5/23/13	Thu 5/30/13	6 days	Thu 5/23/13
49	1.9.10 ASD Buildings	100%	Thu 5/30/13	Thu 6/6/13	6 days	Thu 5/30/13
50	1.9.11 Diesel Generator Building	100%	Thu 6/6/13	Thu 6/13/13	6 days	Thu 6/6/13
51	**1.9.12 Turbine House**	**100%**	**Mon 4/29/13**	**Fri 6/20/14**	**298 days**	**Mon 4/29/13**
52	1.9.12.1 Interior Areas	100%	Mon 4/29/13	Fri 5/24/13	20 days	Mon 4/29/13



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

Task		Milestone		Project Summary		Critical Split	
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LVI SERVICES INC.

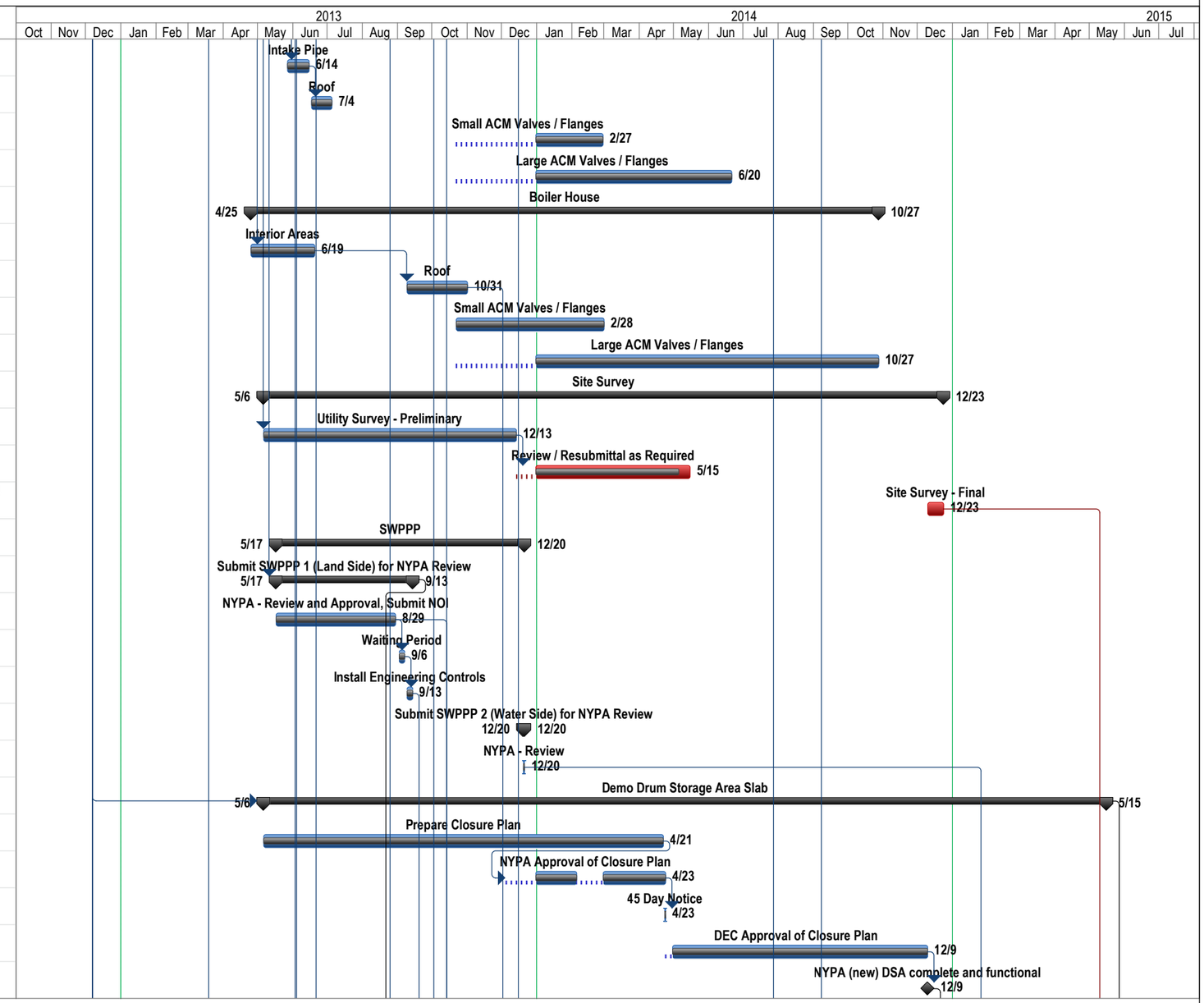
NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

Project Schedule

LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

Data Date : 9/16/2014

ID	Task Name	% Complete	Actual Start	Actual Finish	Duration	Start
53	1.9.12.2 Intake Pipe	100%	Mon 5/27/13	Fri 6/14/13	15 days	Mon 5/27/13
54	1.9.12.3 Roof	100%	Mon 6/17/13	Thu 7/4/13	15 days	Mon 6/17/13
55	1.9.12.4 Small ACM Valves / Flanges	100%	Tue 10/22/13	Thu 2/27/14	42 days	Tue 10/22/13
56	1.9.12.5 Large ACM Valves / Flanges	100%	Tue 10/22/13	Fri 6/20/14	123 days	Tue 10/22/13
57	**1.9.13 Boiler House**	**100%**	**Thu 4/25/13**	**Mon 10/27/14**	**391 days**	**Thu 4/25/13**
58	1.9.13.1 Interior Areas	100%	Thu 4/25/13	Wed 6/19/13	40 days	Thu 4/25/13
59	1.9.13.2 Roof	100%	Mon 9/9/13	Thu 10/31/13	39 days	Mon 9/9/13
60	1.9.13.3 Small ACM Valves / Flanges	100%	Tue 10/22/13	Fri 2/28/14	90 days	Tue 10/22/13
61	1.9.13.4 Large ACM Valves / Flanges	100%	Tue 10/22/13	Mon 10/27/14	214 days	Tue 10/22/13
62	**1.10 Site Survey**	**93%**	**Mon 5/6/13**	**NA**	**423 days**	**Mon 5/6/13**
63	1.10.1 Utility Survey - Preliminary	100%	Mon 5/6/13	Fri 12/13/13	160 days	Mon 5/6/13
64	1.10.2 Review / Resubmittal as Required	92%	Sat 12/14/13	NA	96.25 days	Sat 12/14/13
65	1.10.3 Site Survey - Final	0%	NA	NA	10 days	Wed 12/10/14
66	**1.11 SWPPP**	**100%**	**Fri 5/17/13**	**Fri 12/20/13**	**156 days**	**Fri 5/17/13**
67	**1.11.1 Submit SWPPP 1 (Land Side) for NYPA Review**	**100%**	**Fri 5/17/13**	**Fri 9/13/13**	**88 days**	**Fri 5/17/13**
68	1.11.1.1 NYPA - Review and Approval, Submit NOI	100%	Fri 5/17/13	Thu 8/29/13	76 days	Fri 5/17/13
69	1.11.1.2 Waiting Period	100%	Mon 9/2/13	Fri 9/6/13	5 days	Mon 9/2/13
70	1.11.1.3 Install Engineering Controls	100%	Mon 9/9/13	Fri 9/13/13	5 days	Mon 9/9/13
71	**1.11.2 Submit SWPPP 2 (Water Side) for NYPA Review**	**100%**	**Fri 12/20/13**	**Fri 12/20/13**	**1 day**	**Fri 12/20/13**
72	1.11.2.1 NYPA - Review	100%	Fri 12/20/13	Fri 12/20/13	1 day	Fri 12/20/13
73	**1.12 Demo Drum Storage Area Slab**	**87%**	**Mon 5/6/13**	**NA**	**524 days**	**Mon 5/6/13**
74	1.12.1 Prepare Closure Plan	100%	Mon 5/6/13	Mon 4/21/14	249 days	Mon 5/6/13
75	1.12.2 NYPA Approval of Closure Plan	100%	Wed 12/4/13	Wed 4/23/14	64 days	Wed 12/4/13
76	1.12.3 45 Day Notice	100%	Wed 4/23/14	Wed 4/23/14	1 day	Wed 4/23/14
77	1.12.4 DEC Approval of Closure Plan	100%	Wed 4/23/14	Tue 12/9/14	158 days	Wed 4/23/14
78	1.12.5 NYPA (new) DSA complete and functional	35%	Tue 12/9/14	NA	0 days	Tue 12/9/14



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

Task | Split | Milestone | Summary | Project Summary | Critical | Critical Split | Progress

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LVI SERVICES INC.

NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

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LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

Data Date : 9/16/2014

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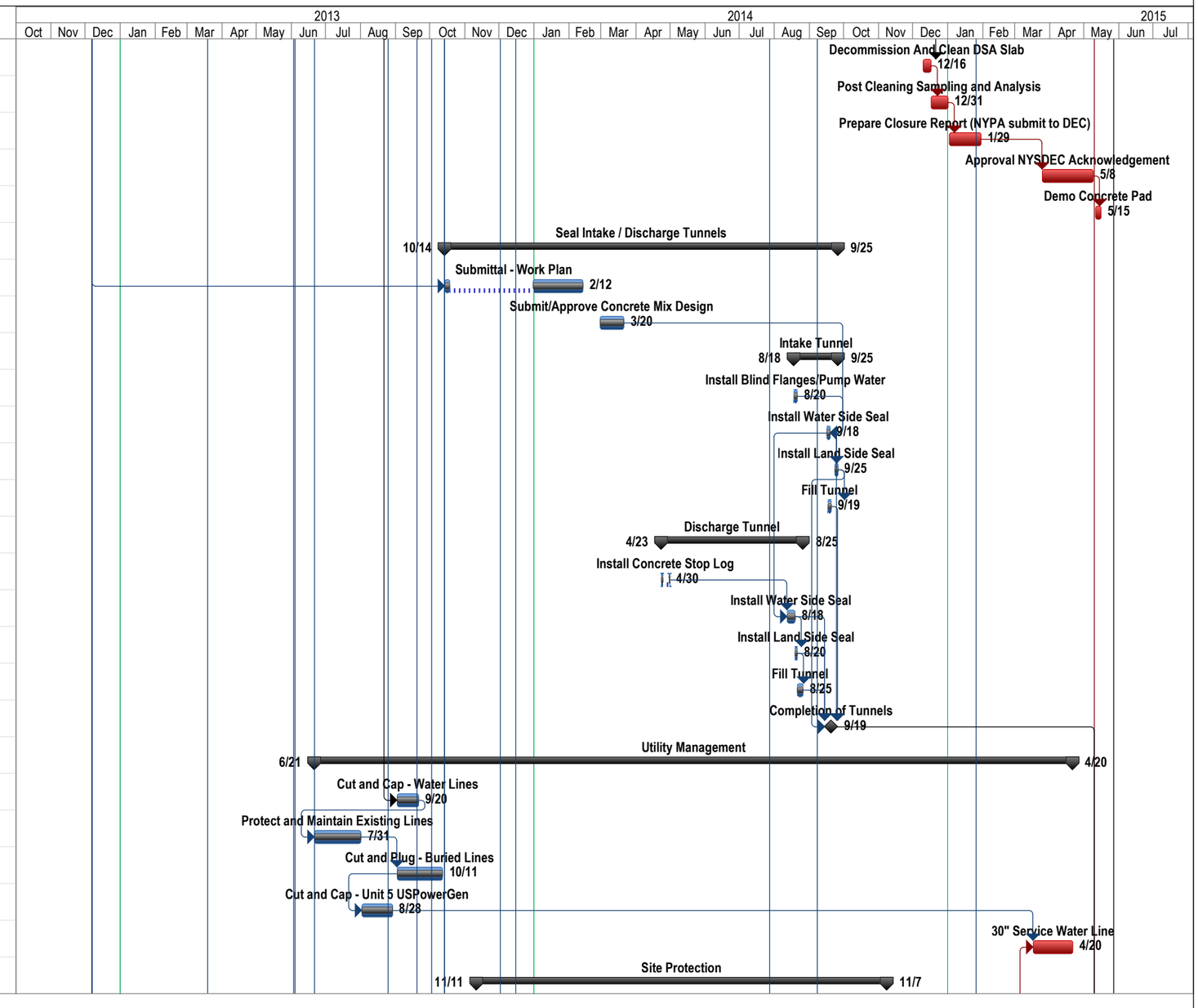
79	1.12.6 Decommission And Clean DSA Slab	0%	NA	NA	5 days	Wed 12/10/14
80	1.12.7 Post Cleaning Sampling and Analysis	0%	NA	NA	10 days	Wed 12/17/14
81	1.12.8 Prepare Closure Report (NYPA submit to DEC)	0%	NA	NA	20 days	Fri 1/2/15
82	1.12.9 Approval NYSDEC Acknowledgement	0%	NA	NA	33 days	Wed 3/25/15
83	1.12.10 Demo Concrete Pad	0%	NA	NA	5 days	Mon 5/11/15
84	**1.13 Seal Intake / Discharge Tunnels**	**99%**	**Mon 10/14/13**	**NA**	**245 days**	**Mon 10/14/13**
85	1.13.1 Submittal - Work Plan	100%	Mon 10/14/13	Wed 2/12/14	35.5 days	Mon 10/14/13
86	1.13.2 Submit/Approve Concrete Mix Design	100%	Fri 2/28/14	Thu 3/20/14	15 days	Fri 2/28/14
87	**1.13.3 Intake Tunnel**	**99%**	**Mon 8/18/14**	**NA**	**29 days**	**Mon 8/18/14**
88	1.13.3.1 Install Blind Flanges/Pump Water	100%	Mon 8/18/14	Wed 8/20/14	3 days	Mon 8/18/14
89	1.13.3.2 Install Water Side Seal	100%	Tue 9/16/14	Thu 9/18/14	3 days	Tue 9/16/14
90	1.13.3.3 Install Land Side Seal	100%	Tue 9/23/14	Thu 9/25/14	3 days	Tue 9/23/14
91	1.13.3.4 Fill Tunnel	100%	Wed 9/17/14	Fri 9/19/14	3 days	Wed 9/17/14
92	**1.13.4 Discharge Tunnel**	**99%**	**Wed 4/23/14**	**NA**	**89 days**	**Wed 4/23/14**
93	1.13.4.1 Install Concrete Stop Log	100%	Wed 4/23/14	Wed 4/30/14	2 days	Wed 4/23/14
94	1.13.4.2 Install Water Side Seal	100%	Tue 8/12/14	Mon 8/18/14	5 days	Tue 8/12/14
95	1.13.4.3 Install Land Side Seal	100%	Tue 8/19/14	Wed 8/20/14	2 days	Tue 8/19/14
96	1.13.4.4 Fill Tunnel	100%	Thu 8/21/14	Mon 8/25/14	3 days	Thu 8/21/14
97	1.13.5 Completion of Tunnels	100%	Wed 9/17/14	Fri 9/19/14	0 days	Wed 9/17/14
98	**1.14 Utility Management**	**79%**	**Fri 6/21/13**	**NA**	**471 days**	**Fri 6/21/13**
99	1.14.1 Cut and Cap - Water Lines	100%	Mon 9/2/13	Fri 9/20/13	15 days	Mon 9/2/13
100	1.14.2 Protect and Maintain Existing Lines	100%	Fri 6/21/13	Wed 7/31/13	30 days	Fri 6/21/13
101	1.14.3 Cut and Plug - Buried Lines	100%	Mon 9/2/13	Fri 10/11/13	30 days	Mon 9/2/13
102	1.14.4 Cut and Cap - Unit 5 USPowerGen	100%	Fri 8/2/13	Wed 8/28/13	19 days	Fri 8/2/13
103	1.14.5 30" Service Water Line	0%	NA	NA	25 days	Tue 3/17/15
104	**1.15 Site Protection**	**98%**	**Mon 11/11/13**	**NA**	**256 days**	**Mon 11/11/13**



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

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NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

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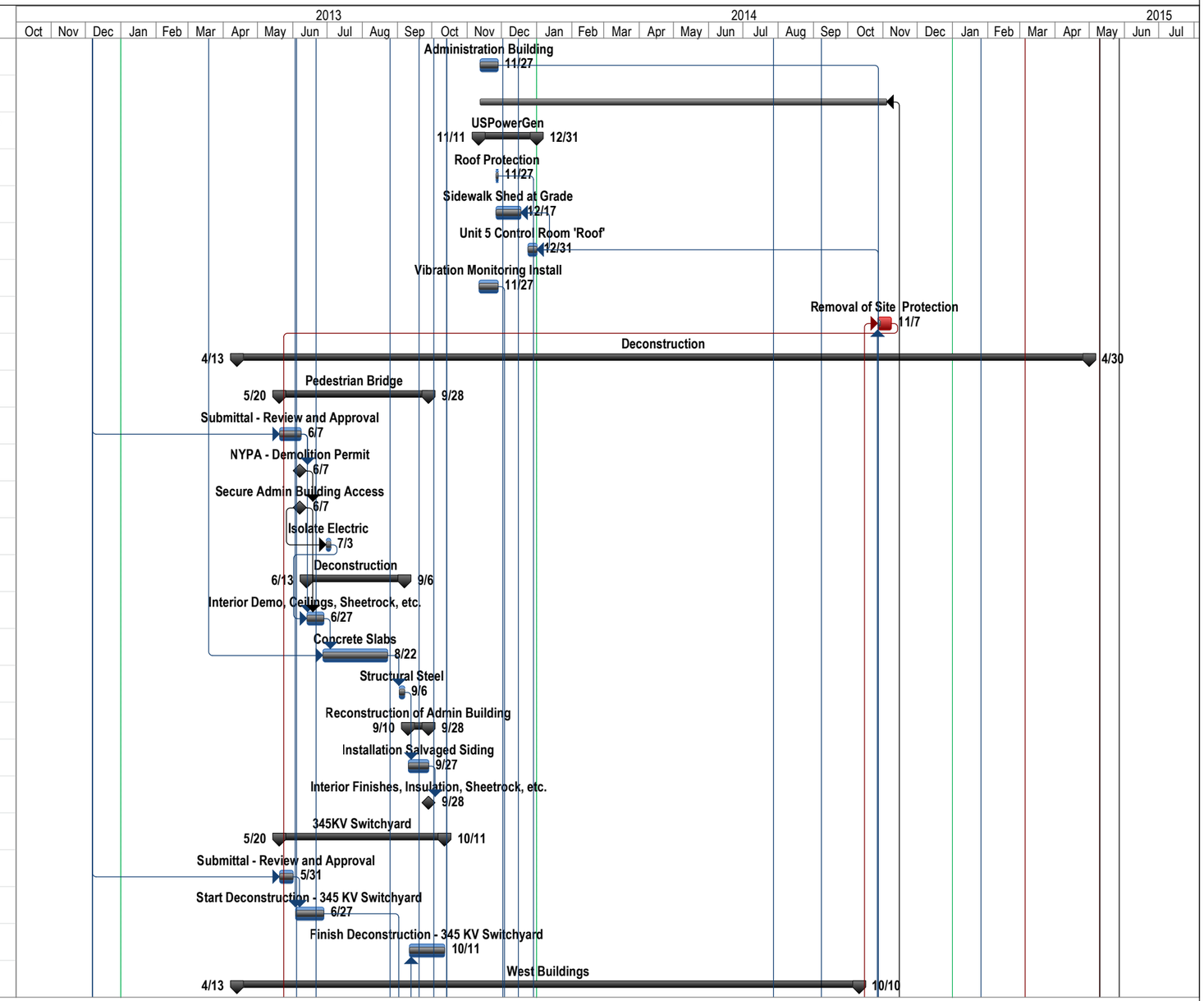
105	1.15.1 Administration Building	100%	Tue 11/12/13	Wed 11/27/13	12 days	Tue 11/12/13
106	1.15.2 Protection of Utilities	100%	Tue 11/12/13	Mon 11/3/14	251 days	Tue 11/12/13
107	**1.15.3 USPowerGen**	**100%**	**Mon 11/11/13**	**Tue 12/31/13**	**34 days**	**Mon 11/11/13**
108	1.15.3.1 Roof Protection	100%	Tue 11/26/13	Wed 11/27/13	2 days	Tue 11/26/13
109	1.15.3.2 Sidewalk Shed at Grade	100%	Tue 11/26/13	Tue 12/17/13	14 days	Tue 11/26/13
110	1.15.3.3 Unit 5 Control Room 'Roof'	100%	Tue 12/24/13	Tue 12/31/13	5 days	Tue 12/24/13
111	1.15.3.4 Vibration Monitoring Install	100%	Mon 11/11/13	Wed 11/27/13	13 days	Mon 11/11/13
112	1.15.4 Removal of Site Protection	25%	Mon 10/27/14	NA	10 days	Mon 10/27/14
113	**1.16 Deconstruction**	**94%**	**Sat 4/13/13**	**NA**	**528 days**	**Sat 4/13/13**
114	**1.16.1 Pedestrian Bridge**	**100%**	**Mon 5/20/13**	**Sat 9/28/13**	**97 days**	**Mon 5/20/13**
115	1.16.1.1 Submittal - Review and Approval	100%	Mon 5/20/13	Fri 6/7/13	15 days	Mon 5/20/13
116	1.16.1.2 NYPA - Demolition Permit	100%	Fri 6/7/13	Fri 6/7/13	0 days	Fri 6/7/13
117	1.16.1.3 Secure Admin Building Access	100%	Fri 6/7/13	Fri 6/7/13	0 days	Fri 6/7/13
118	1.16.1.4 Isolate Electric	100%	Sun 6/30/13	Wed 7/3/13	4 days	Sun 6/30/13
119	**1.16.1.5 Deconstruction**	**100%**	**Thu 6/13/13**	**Fri 9/6/13**	**64 days**	**Thu 6/13/13**
120	1.16.1.5.1 Interior Demo, Ceilings, Sheetrock, etc.	100%	Thu 6/13/13	Thu 6/27/13	11 days	Thu 6/13/13
121	1.16.1.5.2 Concrete Slabs	100%	Thu 6/27/13	Thu 8/22/13	42 days	Thu 6/27/13
122	1.16.1.5.3 Structural Steel	100%	Mon 9/2/13	Fri 9/6/13	5 days	Mon 9/2/13
123	**1.16.1.6 Reconstruction of Admin Building**	**100%**	**Tue 9/10/13**	**Sat 9/28/13**	**14 days**	**Tue 9/10/13**
124	1.16.1.6.1 Installation Salvaged Siding	100%	Tue 9/10/13	Fri 9/27/13	14 days	Tue 9/10/13
125	1.16.1.6.2 Interior Finishes, Insulation, Sheetrock, etc.	100%	Sat 9/28/13	Sat 9/28/13	0 days	Sat 9/28/13
126	**1.16.2 345KV Switchyard**	**100%**	**Mon 5/20/13**	**Fri 10/11/13**	**107 days**	**Mon 5/20/13**
127	1.16.2.1 Submittal - Review and Approval	100%	Mon 5/20/13	Fri 5/31/13	10 days	Mon 5/20/13
128	1.16.2.2 Start Deconstruction - 345 KV Switchyard	100%	Mon 6/3/13	Thu 6/27/13	19 days	Mon 6/3/13
129	1.16.2.3 Finish Deconstruction - 345 KV Switchyard	100%	Wed 9/11/13	Fri 10/11/13	23 days	Wed 9/11/13
130	**1.16.3 West Buildings**	**100%**	**Sat 4/13/13**	**Fri 10/10/14**	**388 days**	**Sat 4/13/13**



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Date: Fri 2/13/15

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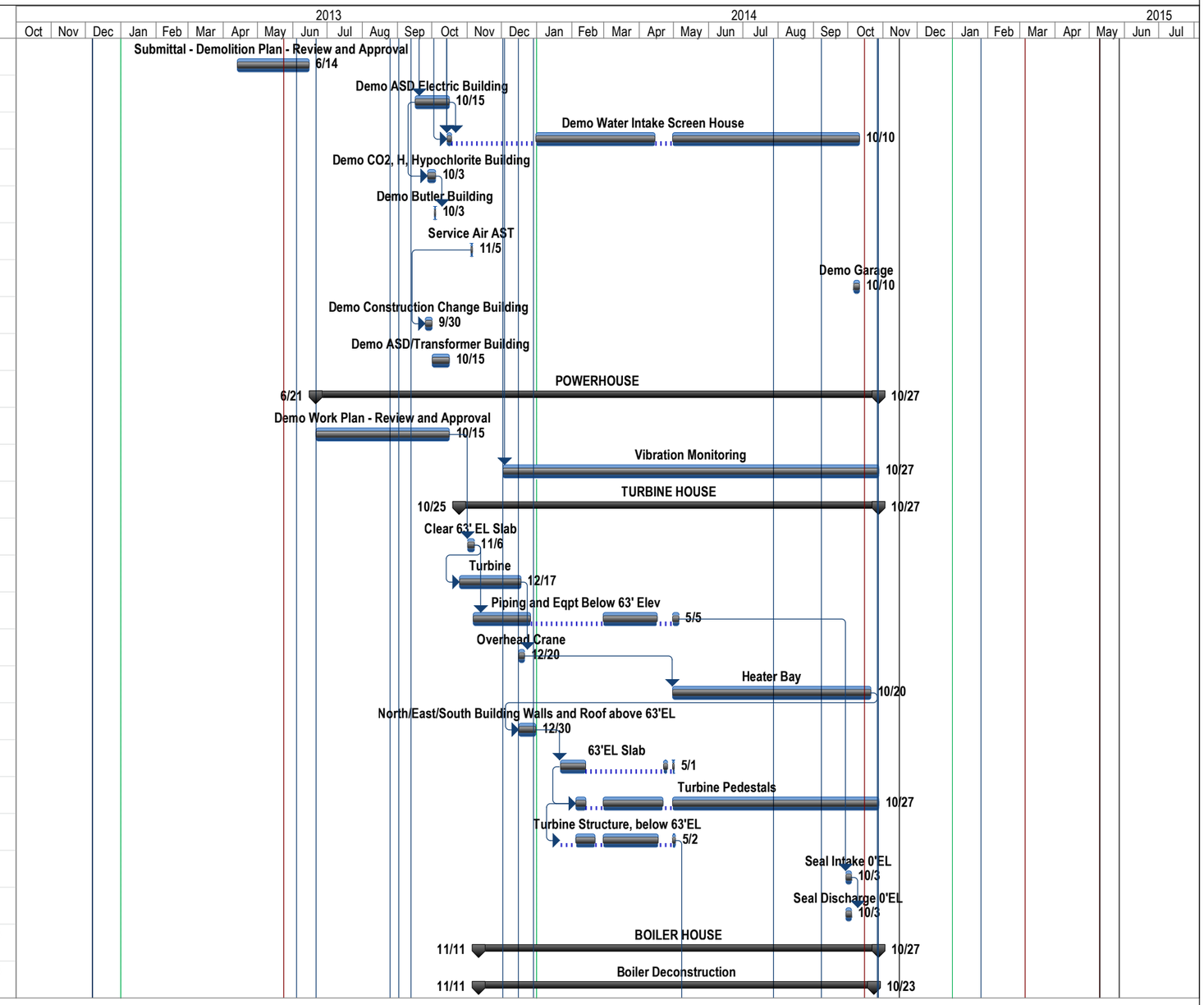
131	1.16.3.1 Submittal - Demolition Plan - Review and Approval	100%	Sat 4/13/13	Fri 6/14/13	45 days	Sat 4/13/13
132	1.16.3.2 Demo ASD Electric Building	100%	Mon 9/16/13	Tue 10/15/13	22 days	Mon 9/16/13
133	1.16.3.3 Demo Water Intake Screen House	100%	Mon 10/14/13	Fri 10/10/14	195.4 days	Mon 10/14/13
134	1.16.3.4 Demo CO2, H, Hypochlorite Building	100%	Fri 9/27/13	Thu 10/3/13	5 days	Fri 9/27/13
135	1.16.3.5 Demo Butler Building	100%	Thu 10/3/13	Thu 10/3/13	1 day	Thu 10/3/13
136	1.16.3.6 Service Air AST	100%	Mon 11/4/13	Tue 11/5/13	1.5 days	Mon 11/4/13
137	1.16.3.7 Demo Garage	100%	Mon 10/6/14	Fri 10/10/14	5 days	Mon 10/6/14
138	1.16.3.8 Demo Construction Change Building	100%	Wed 9/25/13	Mon 9/30/13	4 days	Wed 9/25/13
139	1.16.3.9 Demo ASD/Transformer Building	100%	Tue 10/1/13	Tue 10/15/13	11 days	Tue 10/1/13
140	**1.16.4 POWERHOUSE**	**99%**	**Fri 6/21/13**	**NA**	**350 days**	**Fri 6/21/13**
141	1.16.4.1 Demo Work Plan - Review and Approval	100%	Fri 6/21/13	Tue 10/15/13	85 days	Fri 6/21/13
142	1.16.4.2 Vibration Monitoring	100%	Mon 12/2/13	Mon 10/27/14	234 days	Mon 12/2/13
143	**1.16.4.3 TURBINE HOUSE**	**100%**	**Fri 10/25/13**	**Mon 10/27/14**	**258 days**	**Fri 10/25/13**
144	1.16.4.3.1 Clear 63' EL Slab	100%	Fri 11/1/13	Wed 11/6/13	4 days	Fri 11/1/13
145	1.16.4.3.2 Turbine	100%	Fri 10/25/13	Tue 12/17/13	36 days	Fri 10/25/13
146	1.16.4.3.3 Piping and Eqpt Below 63' Elev	100%	Wed 11/6/13	Mon 5/5/14	70.3 days	Wed 11/6/13
147	1.16.4.3.4 Overhead Crane	100%	Mon 12/16/13	Fri 12/20/13	5 days	Mon 12/16/13
148	1.16.4.3.5 Heater Bay	100%	Wed 4/30/14	Mon 10/20/14	124 days	Wed 4/30/14
149	1.16.4.3.6 North/East/South Building Walls and Roof above 63'EL	100%	Mon 12/16/13	Mon 12/30/13	10 days	Mon 12/16/13
150	1.16.4.3.7 63'EL Slab	100%	Tue 1/21/14	Thu 5/1/14	21.25 days	Tue 1/21/14
151	1.16.4.3.8 Turbine Pedestals	100%	Tue 2/4/14	Mon 10/27/14	172.56 days	Tue 2/4/14
152	1.16.4.3.9 Turbine Structure, below 63'EL	100%	Tue 1/21/14	Fri 5/2/14	50 days	Tue 1/21/14
153	1.16.4.3.10 Seal Intake 0'EL	100%	Mon 9/29/14	Fri 10/3/14	5 days	Mon 9/29/14
154	1.16.4.3.11 Seal Discharge 0'EL	100%	Mon 9/29/14	Fri 10/3/14	5 days	Mon 9/29/14
155	**1.16.4.4 BOILER HOUSE**	**99%**	**Mon 11/11/13**	**NA**	**247 days**	**Mon 11/11/13**
156	**1.16.4.4.1 Boiler Deconstruction**	**100%**	**Mon 11/11/13**	**Thu 10/23/14**	**245 days**	**Mon 11/11/13**



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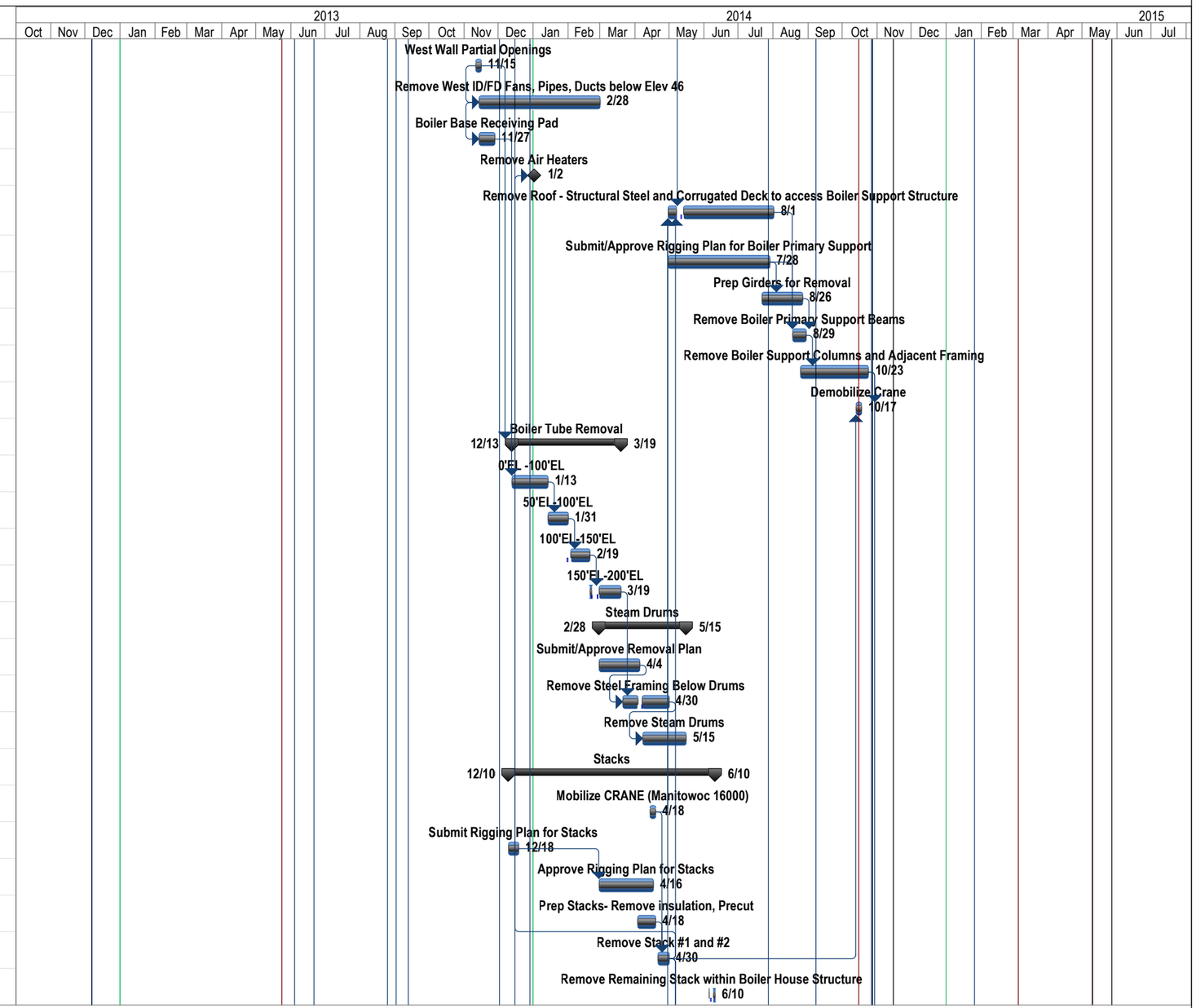
157	1.16.4.4.1.1 West Wall Partial Openings	100%	Mon 11/11/13	Fri 11/15/13	5 days	Mon 11/11/13
158	1.16.4.4.1.2 Remove West ID/FD Fans, Pipes, Ducts below Elev 46	100%	Thu 11/14/13	Fri 2/28/14	73 days	Thu 11/14/13
159	1.16.4.4.1.3 Boiler Base Receiving Pad	100%	Thu 11/14/13	Wed 11/27/13	10 days	Thu 11/14/13
160	1.16.4.4.1.4 Remove Air Heaters	100%	Thu 1/2/14	Thu 1/2/14	0 days	Thu 1/2/14
161	1.16.4.4.1.5 Remove Roof - Structural Steel and Corrugated Deck to access Boiler Support Structure	100%	Wed 4/30/14	Fri 8/1/14	62 days	Wed 4/30/14
162	1.16.4.4.1.6 Submit/Approve Rigging Plan for Boiler Primary Support	100%	Wed 4/30/14	Mon 7/28/14	64 days	Wed 4/30/14
163	1.16.4.4.1.7 Prep Girders for Removal	100%	Tue 7/22/14	Tue 8/26/14	26 days	Tue 7/22/14
164	1.16.4.4.1.8 Remove Boiler Primary Support Beams	100%	Mon 8/18/14	Fri 8/29/14	10 days	Mon 8/18/14
165	1.16.4.4.1.9 Remove Boiler Support Columns and Adjacent Framing	100%	Mon 8/25/14	Thu 10/23/14	44 days	Mon 8/25/14
166	1.16.4.4.1.10 Demobilize Crane	100%	Mon 10/13/14	Fri 10/17/14	5 days	Mon 10/13/14
167	**1.16.4.4.1.11 Boiler Tube Removal**	**100%**	**Fri 12/13/13**	**Wed 3/19/14**	**66.5 days**	**Fri 12/13/13**
168	1.16.4.4.1.11.1 0'EL -100'EL	100%	Fri 12/13/13	Mon 1/13/14	20 days	Fri 12/13/13
169	1.16.4.4.1.11.2 50'EL-100'EL	100%	Tue 1/14/14	Fri 1/31/14	14 days	Tue 1/14/14
170	1.16.4.4.1.11.3 100'EL-150'EL	100%	Thu 1/30/14	Wed 2/19/14	13 days	Thu 1/30/14
171	1.16.4.4.1.11.4 150'EL-200'EL	100%	Thu 2/20/14	Wed 3/19/14	15 days	Thu 2/20/14
172	**1.16.4.4.2 Steam Drums**	**99%**	**Fri 2/28/14**	**NA**	**55 days**	**Fri 2/28/14**
173	1.16.4.4.2.1 Submit/Approve Removal Plan	100%	Fri 2/28/14	Fri 4/4/14	26 days	Fri 2/28/14
174	1.16.4.4.2.2 Remove Steel Framing Below Drums	100%	Fri 3/21/14	Wed 4/30/14	27.5 days	Fri 3/21/14
175	1.16.4.4.2.3 Remove Steam Drums	100%	Mon 4/7/14	Thu 5/15/14	28.5 days	Mon 4/7/14
176	**1.16.4.4.3 Stacks**	**100%**	**Tue 12/10/13**	**Tue 6/10/14**	**128.95 days**	**Tue 12/10/13**
177	1.16.4.4.3.1 Mobilize CRANE (Manitowoc 16000)	100%	Mon 4/14/14	Fri 4/18/14	5 days	Mon 4/14/14
178	1.16.4.4.3.2 Submit Rigging Plan for Stacks	100%	Tue 12/10/13	Wed 12/18/13	7 days	Tue 12/10/13
179	1.16.4.4.3.3 Approve Rigging Plan for Stacks	100%	Fri 2/28/14	Wed 4/16/14	34 days	Fri 2/28/14
180	1.16.4.4.3.4 Prep Stacks- Remove insulation, Precut	100%	Thu 4/3/14	Fri 4/18/14	12 days	Thu 4/3/14
181	1.16.4.4.3.5 Remove Stack #1 and #2	100%	Mon 4/21/14	Wed 4/30/14	8 days	Mon 4/21/14
182	1.16.4.4.3.6 Remove Remaining Stack within Boiler House Structure	100%	Thu 6/5/14	Tue 6/10/14	2 days	Thu 6/5/14



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

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LVI SERVICES INC.

NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

Project Schedule

LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

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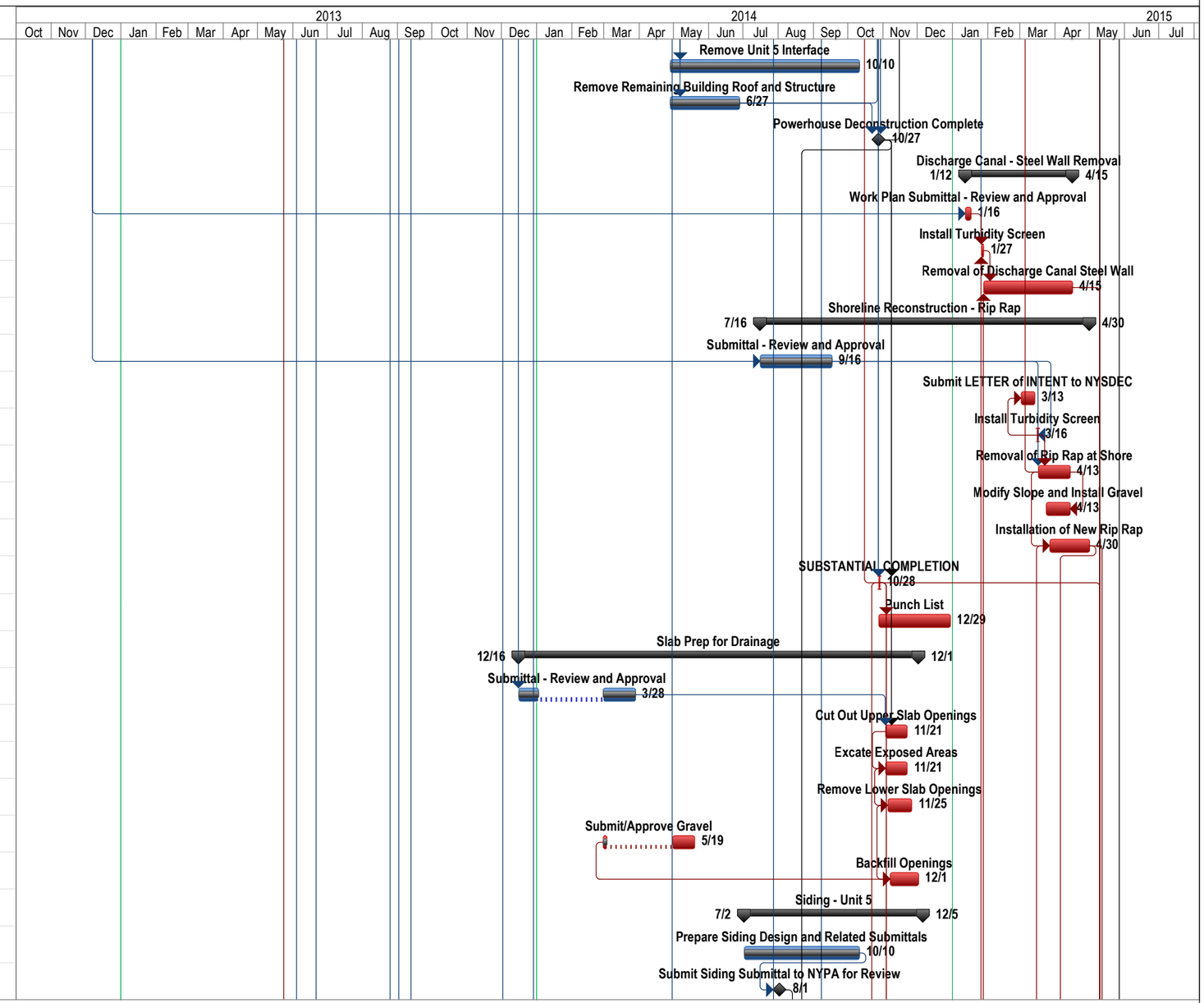
183	1.16.4.4.4 Remove Unit 5 Interface	100%	Mon 4/28/14	Fri 10/10/14	120 days	Mon 4/28/14
184	1.16.4.4.5 Remove Remaining Building Roof and Structure	100%	Mon 4/28/14	Fri 6/27/14	45 days	Mon 4/28/14
185	1.16.4.4.6 Powerhouse Deconstruction Complete	100%	Thu 10/23/14	Mon 10/27/14	0 days	Thu 10/23/14
186	**1.16.5 Discharge Canal - Steel Wall Removal**	**0%**	**NA**	**NA**	**68 days**	**Mon 1/12/15**
187	1.16.5.1 Work Plan Submittal - Review and Approval	0%	NA	NA	5 days	Mon 1/12/15
188	1.16.5.2 Install Turbidity Screen	0%	NA	NA	2 days	Mon 1/26/15
189	1.16.5.3 Removal of Discharge Canal Steel Wall	0%	NA	NA	56 days	Wed 1/28/15
190	**1.16.6 Shoreline Reconstruction - Rip Rap**	**39%**	**Wed 7/16/14**	**NA**	**203 days**	**Wed 7/16/14**
191	1.16.6.1 Submittal - Review and Approval	100%	Wed 7/16/14	Tue 9/16/14	45 days	Wed 7/16/14
192	1.16.6.2 Submit LETTER of INTENT to NYSDEC	0%	NA	NA	10 days	Mon 3/2/15
193	1.16.6.3 Install Turbidity Screen	0%	NA	NA	1 day	Mon 3/16/15
194	1.16.6.4 Removal of Rip Rap at Shore	0%	NA	NA	20 days	Tue 3/17/15
195	1.16.6.5 Modify Slope and Install Gravel	0%	NA	NA	15 days	Tue 3/24/15
196	1.16.6.6 Installation of New Rip Rap	0%	NA	NA	25 days	Fri 3/27/15
197	**1.17 SUBSTANTIAL COMPLETION**	0%	NA	NA	1 day	Tue 10/28/14
198	1.18 Punch List	0%	NA	NA	42 days	Tue 10/28/14
199	**1.19 Slab Prep for Drainage**	**31%**	**Mon 12/16/13**	**NA**	**247 days**	**Mon 12/16/13**
200	1.19.1 Submittal - Review and Approval	100%	Mon 12/16/13	Fri 3/28/14	32 days	Mon 12/16/13
201	1.19.2 Cut Out Upper Slab Openings	0%	NA	NA	15 days	Mon 11/3/14
202	1.19.3 Excate Exposed Areas	0%	NA	NA	15 days	Mon 11/3/14
203	1.19.4 Remove Lower Slab Openings	0%	NA	NA	15 days	Wed 11/5/14
204	1.19.5 Submit/Approve Gravel	10%	Fri 2/28/14	NA	15 days	Fri 2/28/14
205	1.19.6 Backfill Openings	0%	NA	NA	15 days	Fri 11/7/14
206	**1.20 Siding - Unit 5**	**87%**	**Wed 7/2/14**	**NA**	**111 days**	**Wed 7/2/14**
207	1.20.1 Prepare Siding Design and Related Submittals	100%	Wed 7/2/14	Fri 10/10/14	73 days	Wed 7/2/14
208	1.20.2 Submit Siding Submittal to NYPA for Review	100%	Fri 8/1/14	Fri 8/1/14	0 days	Fri 8/1/14



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LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

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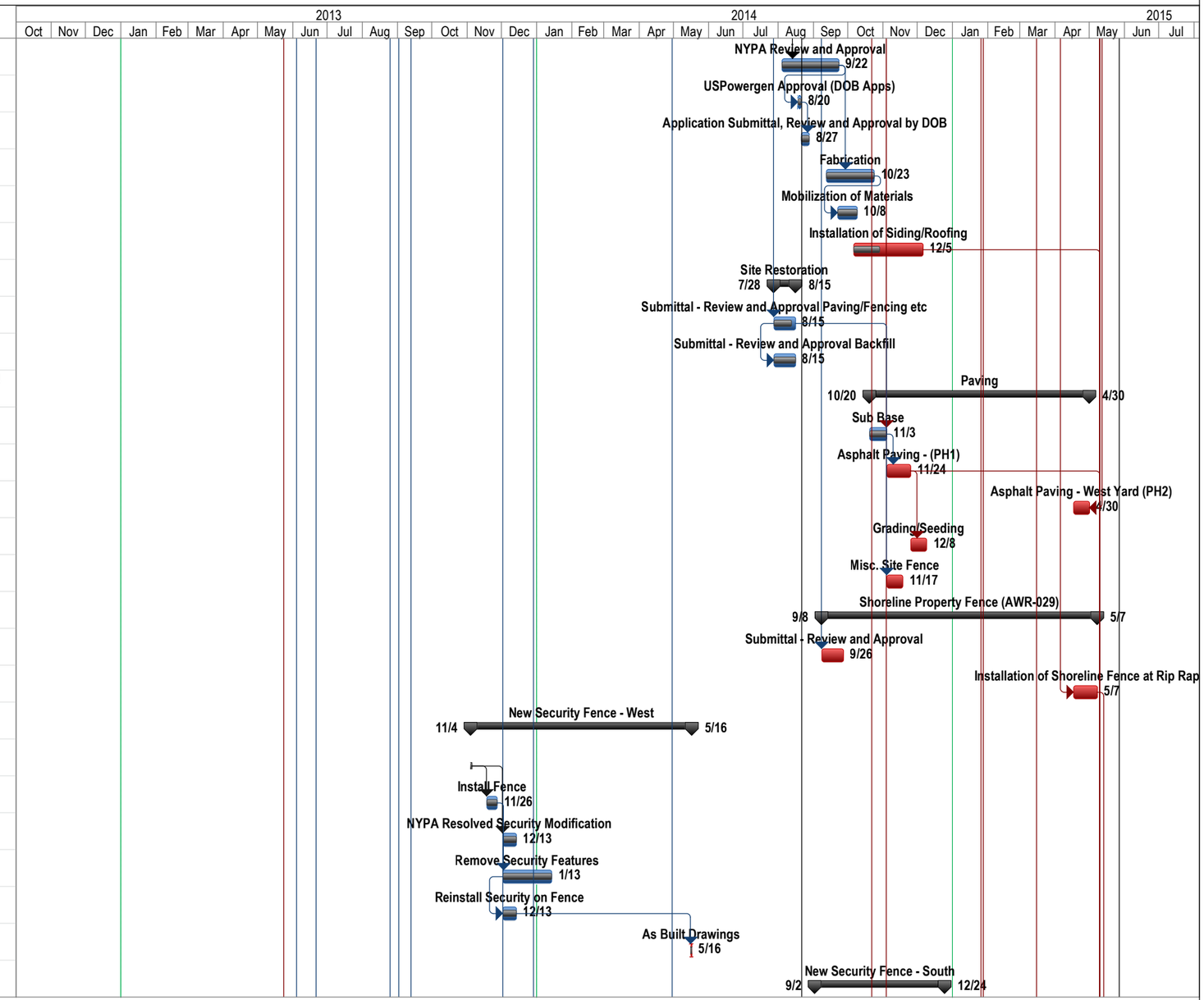
209	1.20.3 NYPA Review and Approval	100%	Mon 8/4/14	Mon 9/22/14	36 days	Mon 8/4/14
210	1.20.4 USPowergen Approval (DOB Apps)	100%	Mon 8/18/14	Wed 8/20/14	3 days	Mon 8/18/14
211	1.20.5 Application Submittal, Review and Approval by DOB	100%	Thu 8/21/14	Wed 8/27/14	5 days	Thu 8/21/14
212	1.20.6 Fabrication	100%	Fri 9/12/14	Thu 10/23/14	30 days	Fri 9/12/14
213	1.20.7 Mobilization of Materials	100%	Mon 9/22/14	Wed 10/8/14	13 days	Mon 9/22/14
214	1.20.8 Installation of Siding/Roofing	39%	Mon 10/6/14	NA	43 days	Mon 10/6/14
215	**1.21 Site Restoration**	**88%**	**Mon 7/28/14**	**NA**	**15 days**	**Mon 7/28/14**
216	1.21.1 Submittal - Review and Approval Paving/Fencing etc	75%	Mon 7/28/14	NA	15 days	Mon 7/28/14
217	1.21.2 Submittal - Review and Approval Backfill	100%	Mon 7/28/14	Fri 8/15/14	15 days	Mon 7/28/14
218	**1.22 Paving**	**20%**	**Mon 10/20/14**	**NA**	**135 days**	**Mon 10/20/14**
219	1.22.1 Sub Base	100%	Mon 10/20/14	Mon 11/3/14	11 days	Mon 10/20/14
220	1.22.2 Asphalt Paving - (PH1)	0%	NA	NA	15 days	Tue 11/4/14
221	1.22.3 Asphalt Paving - West Yard (PH2)	0%	NA	NA	10 days	Fri 4/17/15
222	1.22.4 Grading/Seeding	0%	NA	NA	8 days	Tue 11/25/14
223	1.22.5 Misc. Site Fence	0%	NA	NA	10 days	Tue 11/4/14
224	**1.23 Shoreline Property Fence (AWR-029)**	**0%**	**NA**	**NA**	**170 days**	**Mon 9/8/14**
225	1.23.1 Submittal - Review and Approval	0%	NA	NA	15 days	Mon 9/8/14
226	1.23.2 Installation of Shoreline Fence at Rip Rap	0%	NA	NA	15 days	Fri 4/17/15
227	**1.24 New Security Fence - West**	**99%**	**Mon 11/4/13**	**NA**	**136 days**	**Mon 11/4/13**
228	1.24.1 Submit Fence Location Sketch	100%	Mon 11/4/13	Mon 11/4/13	1 day	Mon 11/4/13
229	1.24.2 Install Fence	100%	Mon 11/18/13	Tue 11/26/13	7 days	Mon 11/18/13
230	1.24.3 NYPA Resolved Security Modification	100%	Mon 12/2/13	Fri 12/13/13	10 days	Mon 12/2/13
231	1.24.4 Remove Security Features	100%	Mon 12/2/13	Mon 1/13/14	29 days	Mon 12/2/13
232	1.24.5 Reinstall Security on Fence	100%	Mon 12/2/13	Fri 12/13/13	10 days	Mon 12/2/13
233	1.24.6 As Built Drawings	90%	Fri 5/16/14	NA	1 day	Fri 5/16/14
234	**1.25 New Security Fence - South**	**0%**	**NA**	**NA**	**80 days**	**Tue 9/2/14**



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

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NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

Project Schedule

LVI Poletti Schedule Progress Schedule 10-28-14--.mpp

Data Date : 9/16/2014

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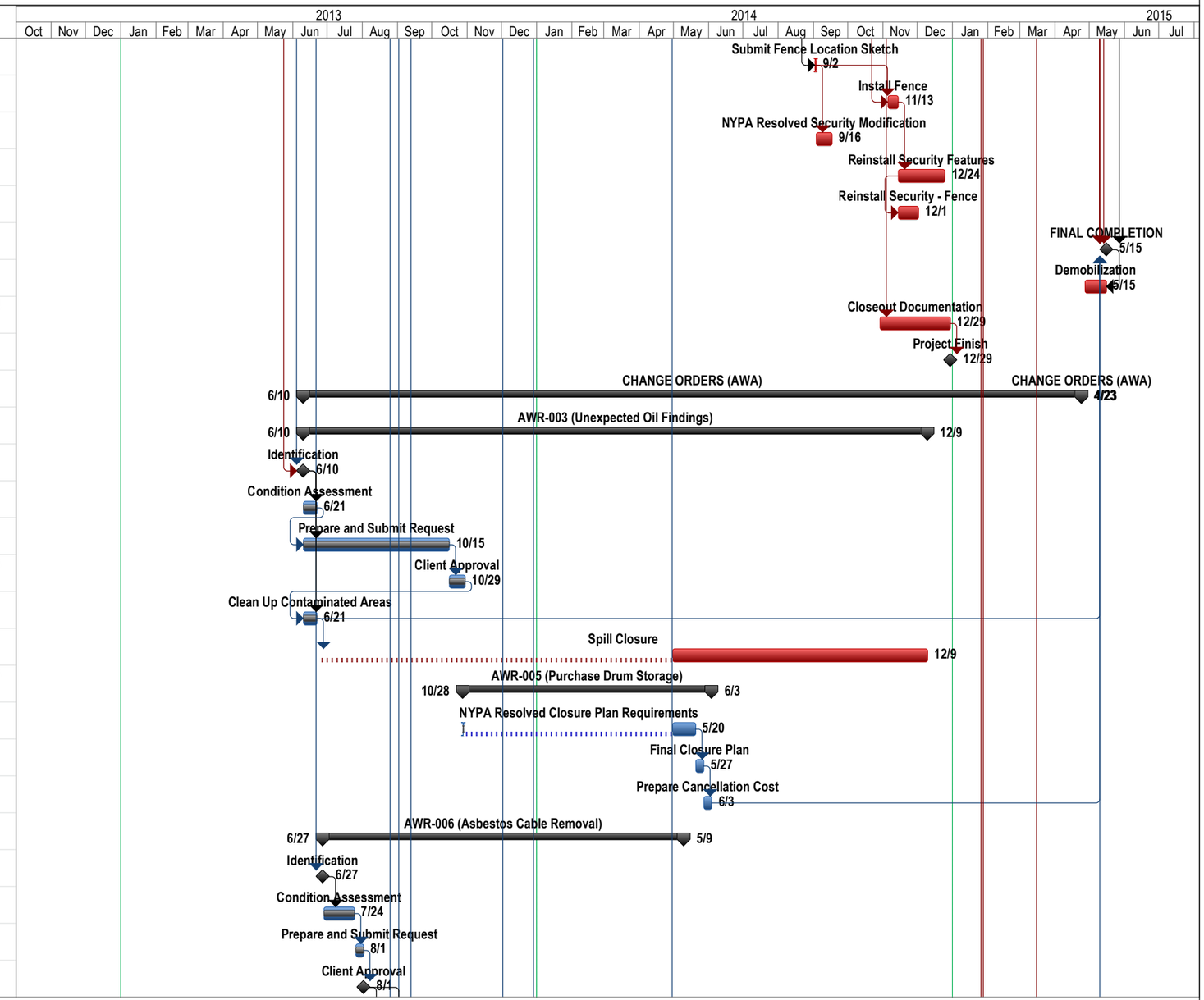
235	1.25.1 Submit Fence Location Sketch	0%	NA	NA	1 day	Tue 9/2/14
236	1.25.2 Install Fence	0%	NA	NA	7 days	Wed 11/5/14
237	1.25.3 NYPA Resolved Security Modification	0%	NA	NA	10 days	Wed 9/3/14
238	1.25.4 Reinstall Security Features	0%	NA	NA	27 days	Fri 11/14/14
239	1.25.5 Reinstall Security - Fence	0%	NA	NA	10 days	Fri 11/14/14
240	**1.26 FINAL COMPLETION**	0%	NA	NA	0 days	Fri 5/15/15
241	1.27 Demobilization	0%	NA	NA	15 days	Mon 4/27/15
242	1.28 Closeout Documentation	0%	NA	NA	41 days	Wed 10/29/14
243	1.29 Project Finish	0%	NA	NA	0 days	Mon 12/29/14
244	**2 CHANGE ORDERS (AWA)**	**56%**	**Mon 6/10/13**	**NA**	**483 days**	**Mon 6/10/13**
245	**2.1 AWR-003 (Unexpected Oil Findings)**	**44%**	**Mon 6/10/13**	**NA**	**388 days**	**Mon 6/10/13**
246	2.1.1 Identification	100%	Mon 6/10/13	Mon 6/10/13	0 days	Mon 6/10/13
247	2.1.2 Condition Assessment	100%	Mon 6/10/13	Fri 6/21/13	10 days	Mon 6/10/13
248	2.1.3 Prepare and Submit Request	100%	Mon 6/10/13	Tue 10/15/13	94 days	Mon 6/10/13
249	2.1.4 Client Approval	100%	Wed 10/16/13	Tue 10/29/13	10 days	Wed 10/16/13
250	2.1.5 Clean Up Contaminated Areas	100%	Mon 6/10/13	Fri 6/21/13	10 days	Mon 6/10/13
251	2.1.6 Spill Closure	0%	Mon 6/24/13	NA	158 days	Mon 6/24/13
252	**~~2.2 AWR-005 (Purchase Drum Storage)~~**	**3%**	**Mon 10/28/13**	**NA**	**152.25 days**	**Mon 10/28/13**
253	~~2.2.1 NYPA Resolved Closure Plan Requirements~~	5%	Mon 10/28/13	NA	15 days	Mon 10/28/13
254	~~2.2.2 Final Closure Plan~~	0%	NA	NA	5 days	Tue 5/20/14
255	~~2.2.3 Prepare Cancellation Cost~~	0%	NA	NA	5 days	Tue 5/27/14
256	**2.3 AWR-006 (Asbestos Cable Removal)**	**95%**	**Thu 6/27/13**	**NA**	**225 days**	**Thu 6/27/13**
257	2.3.1 Identification	100%	Thu 6/27/13	Thu 6/27/13	0 days	Thu 6/27/13
258	2.3.2 Condition Assessment	100%	Fri 6/28/13	Wed 7/24/13	20 days	Fri 6/28/13
259	2.3.3 Prepare and Submit Request	100%	Fri 7/26/13	Thu 8/1/13	5 days	Fri 7/26/13
260	2.3.4 Client Approval	100%	Thu 8/1/13	Thu 8/1/13	0 days	Thu 8/1/13



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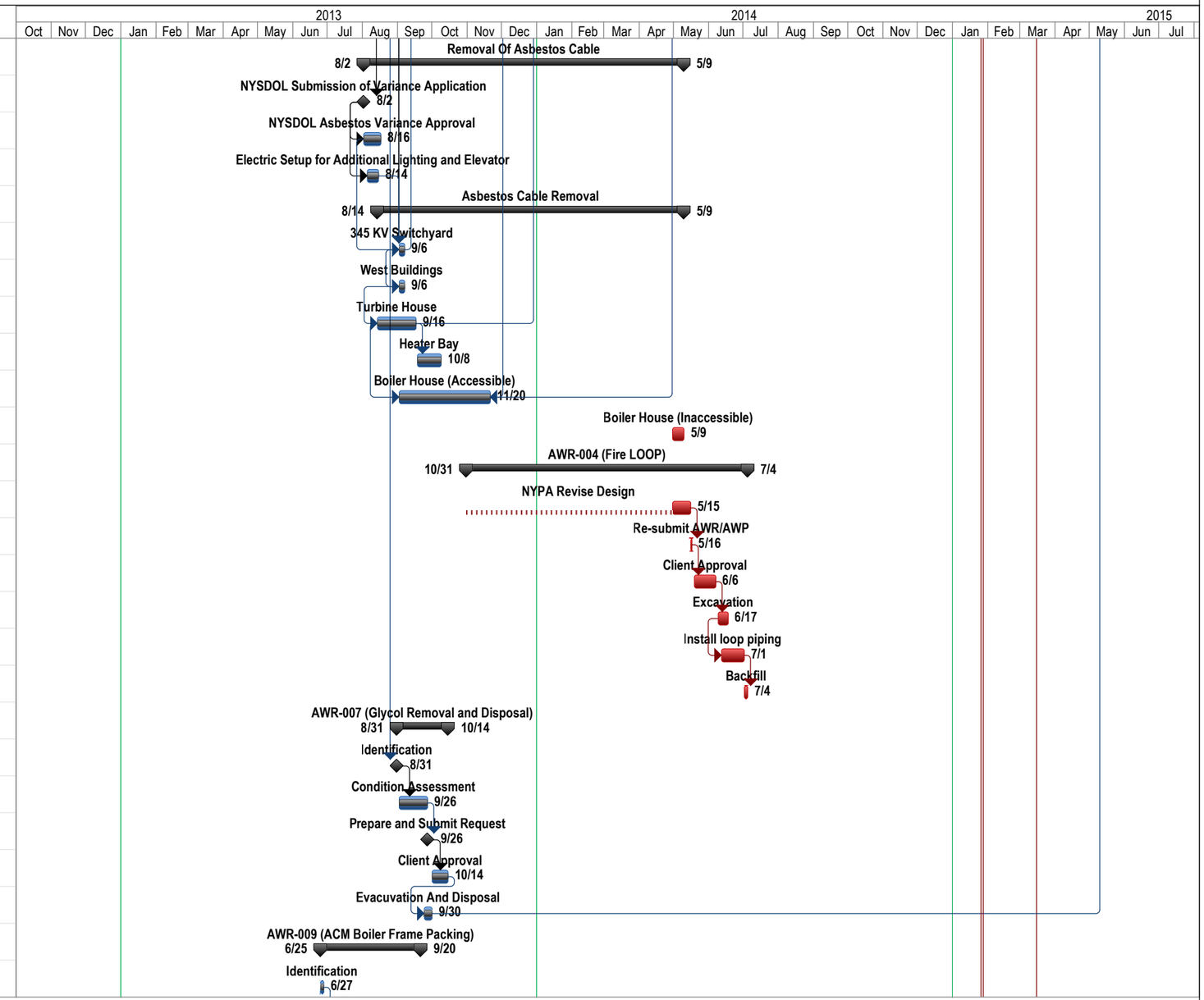
261	**2.3.5 Removal Of Asbestos Cable**	**94%**	**Fri 8/2/13**	**NA**	**198 days**	**Fri 8/2/13**
262	2.3.5.1 NYSDOL Submission of Variance Application	100%	Fri 8/2/13	Fri 8/2/13	0 days	Fri 8/2/13
263	2.3.5.2 NYSDOL Asbestos Variance Approval	100%	Fri 8/2/13	Fri 8/16/13	11 days	Fri 8/2/13
264	2.3.5.3 Electric Setup for Additional Lighting and Elevator	100%	Mon 8/5/13	Wed 8/14/13	8 days	Mon 8/5/13
265	**2.3.5.4 Asbestos Cable Removal**	**93%**	**Wed 8/14/13**	**NA**	**190 days**	**Wed 8/14/13**
266	2.3.5.4.1 345 KV Switchyard	100%	Mon 9/2/13	Fri 9/6/13	5 days	Mon 9/2/13
267	2.3.5.4.2 West Buildings	100%	Mon 9/2/13	Fri 9/6/13	5 days	Mon 9/2/13
268	2.3.5.4.3 Turbine House	100%	Wed 8/14/13	Mon 9/16/13	25 days	Wed 8/14/13
269	2.3.5.4.4 Heater Bay	100%	Wed 9/18/13	Tue 10/8/13	15 days	Wed 9/18/13
270	2.3.5.4.5 Boiler House (Accessible)	100%	Mon 9/2/13	Wed 11/20/13	58 days	Mon 9/2/13
271	2.3.5.4.6 Boiler House (Inaccessible)	0%	NA	NA	8 days	Wed 4/30/14
272	**~~2.4 AWR-004 (Fire LOOP)~~**	**0%**	**Thu 10/31/13**	**NA**	**173 days**	**Thu 10/31/13**
273	~~2.4.1 NYPA Revise Design~~	0%	Thu 10/31/13	NA	12 days	Thu 10/31/13
274	~~2.4.2 Re-submit AWR/AWP~~	0%	NA	NA	1 day	Fri 5/16/14
275	~~2.4.3 Client Approval~~	0%	NA	NA	15 days	Mon 5/19/14
276	~~2.4.4 Excavation~~	0%	NA	NA	7 days	Mon 6/9/14
277	~~2.4.5 Install loop piping~~	0%	NA	NA	14 days	Thu 6/12/14
278	~~2.4.6 Backfill~~	0%	NA	NA	3 days	Wed 7/2/14
279	**2.5 AWR-007 (Glycol Removal and Disposal)**	**100%**	**Sat 8/31/13**	**Mon 10/14/13**	**32 days**	**Sat 8/31/13**
280	2.5.1 Identification	100%	Sat 8/31/13	Sat 8/31/13	0 days	Sat 8/31/13
281	2.5.2 Condition Assessment	100%	Mon 9/2/13	Thu 9/26/13	19 days	Mon 9/2/13
282	2.5.3 Prepare and Submit Request	100%	Thu 9/26/13	Thu 9/26/13	0 days	Thu 9/26/13
283	2.5.4 Client Approval	100%	Tue 10/1/13	Mon 10/14/13	10 days	Tue 10/1/13
284	2.5.5 Evacuvation And Disposal	100%	Tue 9/24/13	Mon 9/30/13	5 days	Tue 9/24/13
285	**2.6 AWR-009 (ACM Boiler Frame Packing)**	**100%**	**Tue 6/25/13**	**Fri 9/20/13**	**66 days**	**Tue 6/25/13**
286	2.6.1 Identification	100%	Tue 6/25/13	Thu 6/27/13	3 days	Tue 6/25/13



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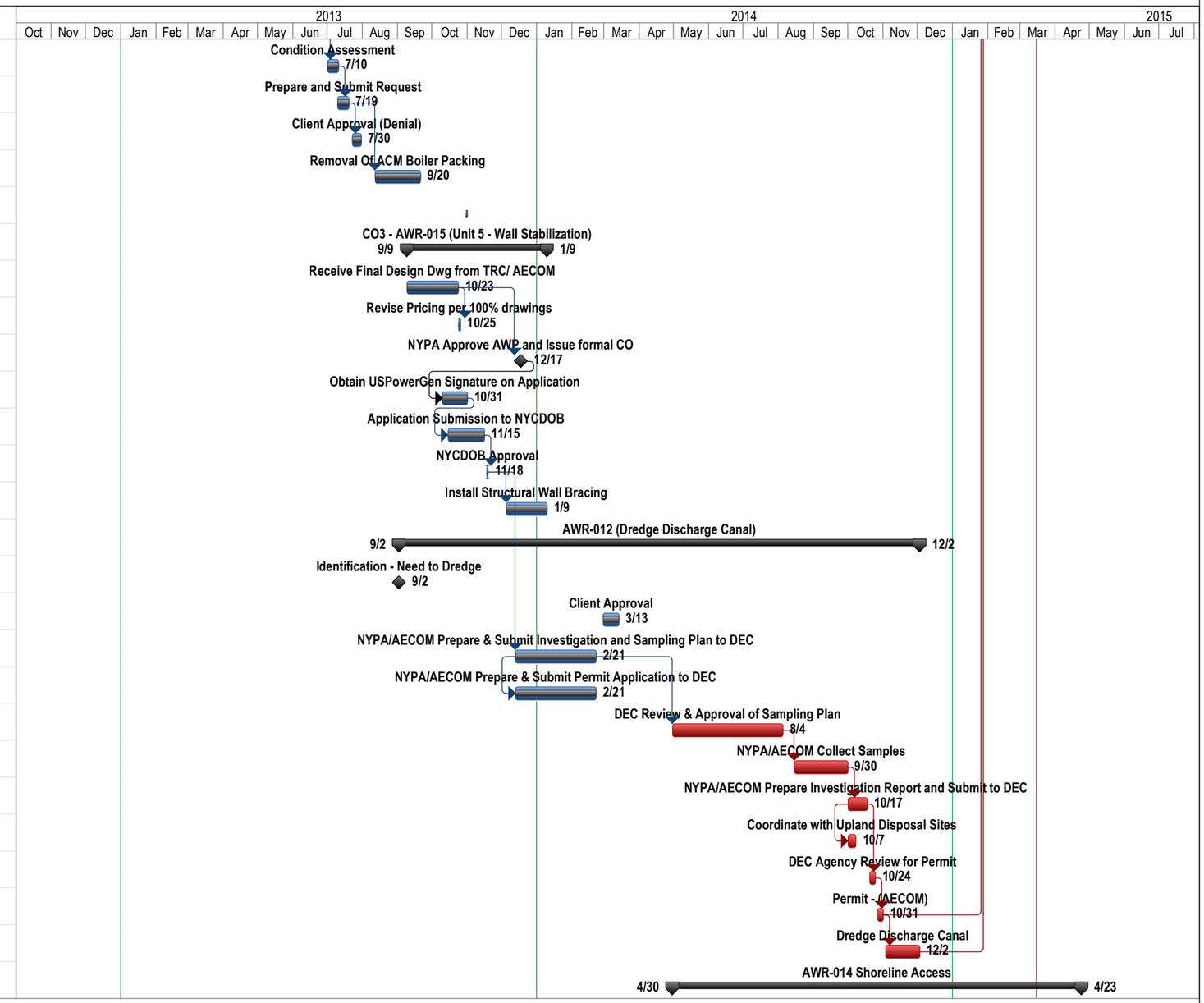
287	2.6.2 Condition Assessment	100%	Mon 7/1/13	Wed 7/10/13	8 days	Mon 7/1/13
288	2.6.3 Prepare and Submit Request	100%	Wed 7/10/13	Fri 7/19/13	8 days	Wed 7/10/13
289	2.6.4 Client Approval (Denial)	100%	Tue 7/23/13	Tue 7/30/13	6 days	Tue 7/23/13
290	2.6.5 Removal Of ACM Boiler Packing	100%	Mon 8/12/13	Fri 9/20/13	31 days	Mon 8/12/13
291	**2.7 AWR-010 (Time Lapse Camera)**	100%	Thu 10/31/13	Thu 10/31/13	1 day	Thu 10/31/13
292	**2.8 CO3 - AWR-015 (Unit 5 - Wall Stabilization)**	**100%**	**Mon 9/9/13**	**Thu 1/9/14**	**85 days**	**Mon 9/9/13**
293	2.8.1 Receive Final Design Dwg from TRC/ AECOM	100%	Mon 9/9/13	Wed 10/23/13	33 days	Mon 9/9/13
294	2.8.2 Revise Pricing per 100% drawings	100%	Thu 10/24/13	Fri 10/25/13	2 days	Thu 10/24/13
295	2.8.3 NYPA Approve AWP and Issue formal CO	100%	Tue 12/17/13	Tue 12/17/13	0 days	Tue 12/17/13
296	2.8.4 Obtain USPowerGen Signature on Application	100%	Thu 10/10/13	Thu 10/31/13	16 days	Thu 10/10/13
297	2.8.5 Application Submission to NYCDOB	100%	Tue 10/15/13	Fri 11/15/13	24 days	Tue 10/15/13
298	2.8.6 NYCDOB Approval	100%	Mon 11/18/13	Mon 11/18/13	1 day	Mon 11/18/13
299	2.8.7 Install Structural Wall Bracing	100%	Thu 12/5/13	Thu 1/9/14	24 days	Thu 12/5/13
300	**2.9 AWR-012 (Dredge Discharge Canal)**	**42%**	**Mon 9/2/13**	**NA**	**321 days**	**Mon 9/2/13**
301	2.9.1 Identification - Need to Dredge	100%	Mon 9/2/13	Mon 9/2/13	0 days	Mon 9/2/13
302	2.9.2 Client Approval	100%	Fri 2/28/14	Thu 3/13/14	10 days	Fri 2/28/14
303	2.9.3 NYPA/AECOM Prepare & Submit Investigation and Sampling Plan to DEC	100%	Fri 12/13/13	Fri 2/21/14	49 days	Fri 12/13/13
304	2.9.4 NYPA/AECOM Prepare & Submit Permit Application to DEC	100%	Fri 12/13/13	Fri 2/21/14	49 days	Fri 12/13/13
305	2.9.5 DEC Review & Approval of Sampling Plan	0%	NA	NA	69 days	Wed 4/30/14
306	2.9.6 NYPA/AECOM Collect Samples	0%	NA	NA	33 days	Fri 8/15/14
307	2.9.7 NYPA/AECOM Prepare Investigation Report and Submit to DEC	0%	NA	NA	13 days	Wed 10/1/14
308	2.9.8 Coordinate with Upland Disposal Sites	0%	NA	NA	5 days	Wed 10/1/14
309	2.9.9 DEC Agency Review for Permit	0%	NA	NA	5 days	Mon 10/20/14
310	2.9.10 Permit - (AECOM)	0%	NA	NA	5 days	Mon 10/27/14
311	2.9.11 Dredge Discharge Canal	0%	NA	NA	20 days	Mon 11/3/14
312	**~~2.10 AWR-014 Shoreline Access~~**	**0%**	**NA**	**NA**	**253 days**	**Wed 4/30/14**



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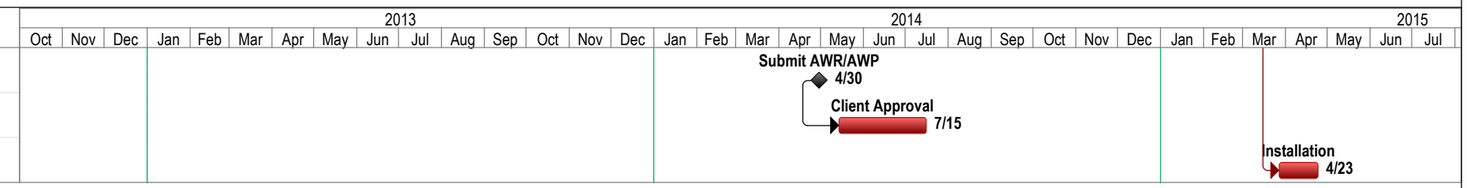
313	~~2.10.1 Submit AWR/AWP~~	0%	NA	NA	0 days	Wed 4/30/14
314	~~2.10.2 Client Approval~~	0%	NA	NA	45 days	Wed 5/14/14
315	~~2.10.3 Installation~~	0%	NA	NA	20 days	Fri 3/27/15



Project: LVI - Poletti - PROJECT SC
Date: Fri 2/13/15

Task | Split | Milestone | Summary | Project Summary | Critical | Critical Split | Progress

SUBSTANTIAL COMPLETION - all structures down to grade elevation, site work ongoing.
FINAL COMPLETION - site work complete, closeout documents in process.

LVI SERVICES INC.

NYPA - CHARLES POLETTI POWER PLANT DECONSTRUCTION

Project Schedule

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "G"
Poletti Project Decommissioning Cost Update

Poletti Project Decommissioning Cost Update

The following is a status and cost update on the Poletti decommissioning project.

The decommissioning work is broken down into three major activities ─ Demineralization Plant Demolition, Fuel Oil Yard Demolition, and the Poletti Plant Deconstruction. The estimated total cost for completion of these activities was $47.3 million. This included a contingency estimate and a salvage value estimate [*see attached Table 1*]. The Demineralization work was completed in 2011 and the Fuel Oil Yard work is expected to be complete by June 2015. The Poletti Power Plant will be deconstructed to grade by December 2014, and final site restoration and demobilization of the program will be completed in late spring 2015.

As a result of unforeseen events requiring change orders the $4.7M contingency budget has been exceeded by approximately $2.7M and the Total Poletti Program cost is now estimated at about $50M. During the Poletti Plant Deconstruction phase and the Fuel Oil Yard Demolition Phase, four major occurrences account for this overage as described below:

(1) Asbestos containing material found in electrical wiring while demolishing the 345 kV transmission switchyard. These were live wires in the transmission switchyard and on other energized systems and therefore could not be tested until they were de-energized. Once tested, they proved to contain asbestos. This accounted for $3.1M in unexpected costs.

(2) The need for a change in the wall bracing scope at the connected Astoria Unit 5 unit, to meet NYC building codes. While NYPA's Poletti plant was in service, the common wall with US PowerGen was an internal structure. With the demolition of the plant that wall now became exterior, and subject to updated NYC wind loading restrictions, which required additional bracing. In the agreement between NYPA and US PowerGen, whichever party initiated changes to the common wall(s) was required to bring said wall up to code for the remaining tenant. This accounted for $1.5M in unexpected costs.

(3) The New York City Fire Department ("FDNY") rejected the proposed plan to install duct iron piping for the above ground sections of fire suppression system piping. This piping was being re-routed and supported due to the dike wall demolition. After a long collaborative effort, which included additional designs, excavation work and numerous meetings between the FDNY and the engineer, contractor, permitting and industry code experts over the course of 12 months; the FDNY approved a new design and the contractor is procuring material and will proceed with the work. This accounted for $1.7M in unexpected costs.

(4) The discovery of oil-filled electrical components located at the 345 kV transmission switchyard. This accounted for $0.62M in unexpected costs.

In addition to these four major items many smaller change orders and work requirements for additional design, permitting and oversight fees in the total $0.5 have been required.

[The revised cost estimate is delineated in Table 2].

It has also been determined that two major out-of-scope work activities are needed: 1) the demolition of the support structures for the Water Intake Screen House ("Screen House") and 2) the dredging of the water discharge canal.

1) <u>Screen House Support Structure Demolition</u>

The Screen House and all of its support structures were installed as part of the Poletti Power Project. It is an approximately 3,000 square foot, one-story steel frame building, with a concrete floor slab and a steel–frame roofing system. The Screen House was installed to deliver condenser cooling water and service water to the project. The Screen House building demolition began in September 2013 and was demolished to grade (i.e., to the level of the structure's concrete floor slab) by March 2014. The remaining concrete floor slab and the Screen House support structures, located on the shore of and over the East River, are approximately 80 feet long, 100 feet wide, and 50 feet deep. The structure is comprised mainly of three (3) components:

1. A service platform that is supported by 24 steel H-piles.
2. A transition block supported by columns and H-piles extending from a mat slab that sits on bedrock.
3. A platform structure that has a six-foot mat slab on bedrock with three-foot diameter support columns extending from the mat slab.

Demolition of the Screen House below grade (underwater) was not deemed necessary at the time the original scope of work was established. However, once the building and equipment were removed, it was determined that the supporting structures were deteriorating and weakening due to various factors and therefore must be removed as part of the Poletti Plant Deconstruction work. It will also be necessary to perform associated shoreline restoration, to maintain consistency with the remainder of the project.

Had the below grade demolition been included in the original scope, the additional monies that would have been required would be essentially the same as the amounts represented in these updated cost figures.

2) <u>Water Discharge Canal Dredging</u>

As part of the deconstruction of the Poletti Power Plant, the steel bulkhead (sheet wall) that created the discharge canal was to be removed, returning this flow area back to the East River. The New York State

Department of Environmental Conservation ("NYSDEC") and the US Army Corps of Engineers ("USACE"), the respective permitting agencies, require that before removal of the bulkhead, NYPA remove accumulated sediment from the discharge canal.

Approximately 1,255 cubic yards of sediment have accumulated behind the bulkhead that must be removed under NYSDEC and USACE regulations. The sediment removal will allow the affected area of the East River to be restored to its previous tidal flooding level. The sediment will be disposed of in accordance with all NYSDEC guidelines.

Out-of-Scope Costs

The estimated costs for both projects total $11.3 million, broken down as follows (*and further shown on Table 3*):

$8.00 million Screen House Support Structure Deconstruction
$1.60 million Canal Dredging & Shoreline Work
$1.70 million Construction Oversight & Contingency

Total Budget Estimate: $11.30 Million

The scope of work for the two projects requires approximately 36 months for assessment, design, permitting, bid and award, and demolition. The canal dredging and sheet wall removal will primarily be undertaken in 2015, while the demolition phase of the Screen House support structure and associated shoreline restoration work will take place during late 2016 into 2017. As a result of the in-scope change orders and out-of-scope requirements, it is estimated that the overall decommissioning expense will total $61.4 million rather than the previous estimate of $47.3 million. Despite the increased cost estimate produced by the additional but necessary work, the Authority will be able to maintain the $1.79 million annual asset retirement obligation charge that became effective with the 2013 rate year. However, it will be necessary to extend that charge through 2019, an additional two years beyond the planned termination at the conclusion of the 2017 rate year. We have attached a revised cost of service ***Figure 5A – Other Expense – Poletti Site Demolition and Restoration*** showing the amended amortization schedule.

As mentioned in both the 2013 and 2014 Final Staff Reports, the annual charge will continue to be revisited and adjusted as the decommissioning project continues. Upon its completion the recovery will be trued up or down in order to guarantee that the customer pays no more than the actual decommissioning costs.

Estimated In-Scope Poletti Decommissioning Expenses

(sent in response to NYC Customer data request #37 to
2014 Preliminary COS)

Table 1	Poletti Cumulative Expenditures through Year End 2014 as previously supplied to NYISO Customers		
	2012	2013	2014
Expenditures			
Demin. Plant Demolition	($2.1)	($2.1)	($2.1)
Fuel Oil Yard Demolition	($5.4)	($12.4)	($12.4)
Poletti Plant Demolition	($7.1)	($21.50)	($35.9)
Poletti CM & EHS Oversight/ Air Monitoring		($1.97)	($3.0)
Asset Recovery	$1.3	$6.1	$11.0
Contingency(15%)			($4.5)
Cumulative Expenditures	($13.3)	($31.8)	($46.9)

Updated In-Scope Poletti Decommissioning Expenses

Table 2	Poletti Cumulative Expenditures through Year End 2014 Update to NYISO Customers		
	2012	2013	2014
Expenditures			
Demin. Plant Demolition	($2.1)	($2.1)	($2.1)
Fuel Oil Yard Demolition	($5.4)	($12.5)	($12.9)
Poletti Plant Demolition	($7.2)	($15.6)	($38.6)
Poletti CM & EHS Oversight/ Air Montoring.		($1.7)	($4.6)
Asset Recovery	$1.3	$4.2	$11.0
Contingency(15%)			$0.0
Cumulative Expenditures	($13.4)	($27.7)	($47.2)

Out of Scope Poletti Decommissioning Expenses

Table 3	Estimated Poletti Decommissioning Expenditures for Out-of-Scope Work		
	2015	2016	2017
Expenditures			
Screen House Support Structure Demolition	($2.0)	($3.0)	($8.0)
Dredging & Shoreline Work	($1.3)	($1.6)	($1.6)
Poletti CM & EHS Oversight/ Air Monitoring.	($0.3)	($0.4)	($0.7)
Contingency (7.5%)	($0.2)	($0.3)	($1.0)
Cumulative Expenditures	**($3.8)**	**($5.3)**	**($11.3)**

Decrease in New York City Governmental Customer Fixed Cost Component – Notice of Adoption

Exhibit "H"

Current 2014 and Proposed 2015 Customer Production Rates

NEW YORK CITY GOVERNMENTAL CUSTOMERS

EXHIBIT "H"

Service Tariff No. 100 Rate Comparison (Current vs. Proposed)

	Demand ($/kW)		ENERGY (¢/kWh)											
			SUMMER		SUMMER ON PEAK		SUMMER OFF PEAK		WINTER		WINTER ON PEAK		WINTER OFF PEAK	
Service Classification	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
SC 62 Conventional	$0.00	$0.00	7.516	6.576					7.032	6.067				
SC 65 Conventional	$8.67	$9.55	5.887	4.685					5.413	4.185				
SC 66 Conventional	$0.00	$0.00	5.908	5.119					5.908	5.119				
SC 68 Conventional	$15.68	$15.83	5.651	4.589					5.167	4.081				
SC 68 TOD	$14.22	$17.29			6.249	5.884	4.135	3.696			5.040	4.787	4.211	3.634
SC 69 Conventional	$11.86	$12.77	5.773	4.679					5.290	4.171				
SC 69 TOD	$12.93	$12.60			6.918	5.779	4.839	3.637			5.730	4.705	4.914	3.576
SC 69 KIAC TOD	$12.93	$12.60			5.403	4.506	3.324	2.364			4.214	3.432	3.399	2.304
SC 80 Conventional	$1.77	$1.84	5.326	4.589					5.326	4.589				
SC 82 Conventional	$10.56	$9.82	5.999	4.698					5.515	4.189				
SC 85 Conventional	$13.36	$14.13	5.817	4.626					5.347	4.132				
SC 91 Conventional	$10.11	$9.94	6.031	4.844					5.548	4.335				
SC 91 TOD	$13.64	$13.98			6.920	5.940	4.806	3.752			5.711	4.843	4.882	3.690
SC 93 Conventional	$8.02	$6.32	6.299	4.943					5.821	4.439				
SC 98 Conventional	$4.82	$4.17	6.435	2.566					5.953	2.058				
SC 98 TOD	$10.13	$11.02			6.898	5.870	4.820	3.728			5.710	4.796	4.895	3.667

Service Tariff No. 100 Demand Standby Rate Comparison (Current vs. Proposed)

	CONTRACT STANDBY DEMAND ($/KW)				AS-USED DAILY DEMAND ($/kW-day)			
	Low Tension		High Tension		Low Tension		High Tension	
Service Classification	2014	2015	2014	2015	2014	2015	2014	2015
SC 65 Conventional	$0.260	$0.286	$0.250	$0.271	$0.276	$0.305	$0.265	$0.288
SC 68 Conventional	$0.470	$0.475	$0.443	$0.441	$0.500	$0.505	$0.471	$0.469
SC 68 TOD	$0.427	$0.519	$0.402	$0.481	$0.453	$0.551	$0.427	$0.512
SC 69 Conventional	$0.356	$0.383	$0.336	$0.356	$0.378	$0.407	$0.357	$0.379
SC 69 TOD	$0.388	$0.378	$0.372	$0.358	$0.412	$0.402	$0.395	$0.381
SC 80 Conventional	$0.053	$0.055	$0.050	$0.051	$0.056	$0.059	$0.053	$0.055
SC 82 Conventional	$0.317	$0.294	$0.298	$0.273	$0.337	$0.313	$0.317	$0.290
SC 85 Conventional	$0.401	$0.424	$0.389	$0.406	$0.426	$0.451	$0.413	$0.432
SC 91 Conventional	$0.303	$0.298	$0.286	$0.277	$0.322	$0.317	$0.304	$0.294
SC 91 TOD	$0.409	$0.419	$0.386	$0.389	$0.435	$0.446	$0.410	$0.414
SC 93 Conventional	$0.241	$0.190	$0.229	$0.178	$0.256	$0.202	$0.244	$0.189
SC 98 Conventional	$0.145	$0.125	$0.136	$0.116	$0.154	$0.133	$0.145	$0.124
SC 98 TOD	$0.304	$0.331	$0.291	$0.314	$0.323	$0.351	$0.310	$0.333