

**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE**

December 17, 2013

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Authority's offices at 123 Main Street, White Plains, New York at approximately 9:30 a.m.

The following Members of the Governance Committee were present:

Trustee Eugene Nicandri, Chairman
Authority Chairman John R. Koelmel
Trustee Terrance P. Flynn
Trustee Joanne M. Mahoney

Also in attendance were:

Jonathan Foster	Trustee
R. Wayne LeChase	Trustee
Gil Quiniones	President and Chief Executive Officer
Judith McCarthy	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Joan Tursi	Senior Vice President – Corporate Support Services
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
John Canale	Acting Vice President – Procurement
Karen Delince	Corporate Secretary
Dennis Eccleston	Chief Information Officer
Gary Schmid	Manager – Network Services
Debra White	Director – Supplier Diversity Program
Lorna Johnson	Associate Corporate Secretary
Sheila Baughman	Assistant Corporate Secretary

Chairman Eugene Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Eugene Nicandri welcomed committee members and Authority senior staff to the meeting. He said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

By motion made and seconded the agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

Upon motion made and seconded, the Consent Agenda and Reports provided to members of the Governance Committee were approved.

a. **Approval of the Minutes**

The Minutes of the Committee's Regular Meeting of July 23, 2013 were approved.

b. Procurement and Real Estate Reports

The Senior Vice President of Corporate Support Services submitted the following report:

SUMMARY

This memorandum is to advise the Governance Committee of certain 2013 Y-T-Date activities of the Enterprise Shared Services (“ESS”) Business Unit. The reports are attached as follows:

- Exhibit A Procurement Contract Activity
- Exhibit B Disposal of Personal Property
- Exhibit C Acquisition and Disposal of Real Property
- Exhibit D Supplier Diversity Program Activities
- Exhibit E Inventory Statistics
- Exhibit F Fossil Fuels Activity
- Exhibit G Corporate Finance Activity

BACKGROUND

Pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President Procurement and the Director Real Estate are required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.

The reported activities are governed by various State laws and regulations and are set forth in the Reports attached.

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits ‘A’ thru ‘G,’ the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater, awarded since January 1, 1990, that were active in 2013, as identified by the Authority’s SAP computer system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during 2013. The Real Estate Report includes all transactions for the acquisition or disposal of real property by the Authority. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises (“M/WBEs”) based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Operations and Treasury work groups, respectively.

c. Recent Developments and Status of NYPA's Ethics & Compliance Program

ETHICS and COMPLIANCE

SUMMARY

The Ethics and Compliance Office advises NYPA's trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA's employees and operations. It coordinates the investigation of allegations and concerns involving NYPA's assets and employees. This report highlights significant developments in NYPA's ethics and compliance program for the period July 23, 2013 to December 17, 2013.

BACKGROUND

The principal substantive issues arising under the NYS ethics laws and NYPA's Code of Conduct investigated or researched since the most recent Governance Committee report on July 23, 2013 included inquiries related to employees' engaging in outside activities and/or business endeavors and issues concerning conflicts of interest, gifts, post-employment restrictions and "re-hire" reviews related to former employees.

The Office provides annual training to all trustees, officers and employees to reaffirm NYPA's commitment to prevailing ethics principles and raises awareness of the laws and regulations with which all NYS public employees are required to comply. Annual review of, and certification to, the NYPA Code of Conduct is implemented as an additional measure to reinforce acceptable business and professional conduct. The Office also coordinates required training for designated employees to comply with the Federal Energy Regulatory Commission's ('FERC') Standards of Conduct relating to its transmission and energy marketing functions and FERC Rules designed to prevent manipulation of energy markets.

DISCUSSION

Ethics Caseload

The Office reviewed 89 cases since the last report to the Governance Committee. This level of activity represents an upward trend in case volume and included reviews in the following categories: 1 allegation, 3 appearances of impropriety; 4 conflicts of interest; 1 Financial Disclosure question; 2 general inquiries; 18 gifts questions; 14 outside activities and 24 outside employment reviews; 2 political activity/donor inquiries; 7 post-employment questions; 1 securities question; 11 issues related to unwarranted privilege and 1 assessment relating to appropriate use of NYPA assets. These cases originated from all NYPA facilities. The higher volume of inquiries can be attributed in part to the multiple mandatory live ethics training sessions provided at headquarters and the operating facilities during this reporting period. The Code of Conduct review and certification process also contributed to an increase in cases and ethics guidance provided to the Trustees and employees.

Three employees from an operating facility sought to engage in outside employment designing and installing solar panel systems on residential properties. During the course of the mandatory live ethics training, these individuals raised questions relating to the Public Officers Law §73(7)(a)(iv) example which asserted that state employees could not appear before another state agency in a professional capacity for purposes of 'the obtaining of grants of money or loans.' The employees intended to facilitate financial incentives from the New York State Energy Research and Development Authority ('NYSERDA') for the benefit of residential customers. NYSERDA's program requires the use of pre-approved installers in order for homeowners to qualify for the incentive program. All three employees completed NYSERDA's training certification program at a significant personal cost prior to being approved by NYSERDA as certified installers. At no time was the public informed that state employees could not participate in the program to become certified installers or engage in the financial incentive application process on behalf of qualified homeowners.

One of NYPA's affected employees sought and received an informal advisory opinion from the New York State Joint Commission on Public Ethics ('JCOPE') which advised him that he would be in violation of the Public Officers Law were he to appear before NYSERDA to request financial incentives for his customers. All employees who sought ethical guidance on this issue were notified of the JCOPE opinion and have since suspended work in this area. NYPA is preparing to engage NYSERDA to explore a creative solution which may enable the NYSERDA program to proceed with participation by qualified and certified state employees. One potential option may be to amend the rules of participation such that the available financial incentives be issued directly to the residential customer rather than as a pass-through by the installation vendor. This will uphold the Public Officers Law directive restricting state employees from appearing before another state agency for the solicitation of grants of money or loans.

The mandatory ethics training also focused on a relatively new interpretation of the post-employment restrictions, referred to by JCOPE as the 'reverse two-year bar.' Founded on a JCOPE advisory opinion, the reverse two-year bar seeks to restrict new state employees from providing an unwarranted privilege or advantage to the employees' former private sector employers. The Office has reviewed several of these cases this reporting period, including one in which NYPA hired a new employee from a large, international firm which does business with NYPA. The Office determined that the new hire may perform work involving his former employer during the two year period because the work related to a previously designed and installed technology and the new hire had worked for an unrelated department located in a different geographical region while employed by the NYPA vendor. The employee was advised that while he could perform work related to this prior installation, he could not participate in the evaluation of any bids or proposals, or the award of any contracts relating to his former employer.

Collaboration with the New York State Inspector General's Office

The Office continues to collaborate with the NYS Inspector General's Office on investigations of allegations and complaints involving NYPA employees and business partners. Issues of corruption, fraud, criminal activity, conflicts of interest or abuse by state officers and employees relating to their office or employment, or by anyone having business dealings with covered agencies, are included within the Inspector General's Office jurisdiction. Details of pending cases will be provided during the Governance Committee Executive Session upon request.

In addition to working with the Inspector General's Office concerning ongoing investigations, NYPA sought and received approval from the Inspector General for her office to provide investigations training in the White Plains Office to NYPA staff from the Ethics & Compliance Office, Human Resources, Corporate Security, Internal Audit and the Technical Compliance departments. This training was held on Tuesday, December 3, and was designed to provide participants greater knowledge and understanding of investigative techniques in the public sector, including the planning, interviewing, documenting and reporting of investigation findings and recommendations.

Training and Outreach

The Public Integrity Reform Act of 2011 required that all Trustees and employees who participate in the Financial Disclosure Program administered by JCOPE receive live comprehensive ethics training. NYPA's Chief Ethics and Compliance Officer, Joseph Gryzlo, was certified to conduct the training for the approximately 400 NYPA Trustees and employees required to participate. Multiple training sessions were held in the White Plains Office and at the operating facilities throughout the months of May through October.

A compliance training report will be submitted to JCOPE detailing the training statistics for NYPA on or before January 31, 2014.

In addition to fulfilling this compliance training requirement, the Office extended this training opportunity to all NYPA employees to satisfy its own internal annual ethics training commitment. To date, approximately 915 employees have participated. The remainder of employees will either receive the

training as a computer-based presentation or in hard copy, primarily for those bargaining unit employees who do not have regular access to a computer or work in the field.

The Office also used these training sessions to facilitate the annual Code of Conduct Certification process. These annual certifications will be scanned and stored in LiveLink per the records retention policy.

The Office is sponsoring a poster awareness campaign in conjunction with several other business units, including Human Resources and Technical Compliance. The posters will focus on the concept of confidentiality and its requirements under the law. Featured topics will include investigations, employees' protected health information, Affirmative Action and the North American Electric Reliability Corporation's Reliability Standards. It is anticipated that each poster will appear in all NYPA facilities beginning in the first quarter of 2014.

Matters before the Joint Commission on Public Ethics

In October 2013, Letizia Tagliaferro was named JCOPE's new Executive Director, replacing Ellen Biben. Ms. Tagliaferro has previously served as JCOPE's Director of Investigations and Enforcement.

"Project Sunlight" Project Update

NYPA employees and Trustees continue to identify and document required 'covered appearances' under Project Sunlight in a timely manner. To date, NYPA has reported more than 200 appearances in the official Project Sunlight database, which was developed to enable the public to view who is seeking to do business with state agencies and authorities. NYPA was recognized for its compliance at a recent Project Sunlight liaison meeting and continues to be among the highest reporting state entities. This initiative remains a priority for all NYPA staff.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's reliability standards compliance management program for the period July 23, 2013 to December 17, 2013. A brief background statement is followed by discussion of specific reliability standards-related topics affecting the enterprise.

BACKGROUND

Following the 2003 Northeast blackout, the Energy Policy Act of 2005 was passed and gave the Federal Energy Regulatory Commission ('FERC') the power to establish mandatory standards for electric reliability. FERC named the North American Electric Reliability Corporation ('NERC') as its Electric Reliability Organization ('ERO') and charged it with developing and enforcing reliability standards. The Northeast Power Coordinating Council ('NPCC') is NERC's enforcement agent for the Northeast U.S. NERC established an organization and processes for developing, implementing and enforcing standards. The initial set of standards became enforceable on June 18, 2007. Since then, the standards have continued to be expanded and revised to address known gaps in the standards or gaps discovered from lessons learned from analyses of more recent system disturbances and blackout events.

NYPA is currently registered, under the NERC functional registration model, as a Transmission Owner, Generator Owner, Generator Operator, Purchasing and Selling Entity, and Load Serving Entity. Recently, NYPA requested de-registration as a Load Serving Entity. Under these registrations, NYPA is subject to 115 standards containing 379 requirements. The standards cover a wide range of NYPA's operation and maintenance activities and processes. In addition, NYPA is subject to some more stringent standards and reliability requirements established by NPCC.

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, NYPA submitted to NPCC three (3) self-reports of possible NERC Reliability Standards compliance violations pursuant to NYPA's NERC registrations. In addition, during this period, NPCC Enforcement staff concluded three (3) enforcement actions. There are currently nine (9) open enforcement actions related to possible violations of the standards; all of them self-reported to NPCC. All the associated mitigating activities for the nine (9) open actions have been completed and are being reviewed by NPCC.

Possible Violation Concern Investigations

During the reporting period, Technical Compliance initiated investigations of five (5) possible NERC Reliability Standards compliance concerns identified by the staff pursuant to an internal procedure entitled "Possible NERC Reliability Standards Compliance Violation." Five (5) investigations that were in process at the beginning of the reporting period were closed; three (3) resulted in self-reports of possible violations and two (2) of the concerns were determined not to be compliance issues.

This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Self-Certifications of Compliance

During the reporting period, NYPA successfully completed two (2) self-certifications of compliance pursuant to NYPA's NERC registrations for the NERC reliability standards; one for Critical Infrastructure Protection ('CIP') standard *CIP-001-2a – Sabotage Reporting* and one for the Interconnection Reliability Operations and Coordination ('IRO') standard *IRO-005-3a - Reliability Coordination - Current Day Operations*. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self certifies compliance.

Compliance Audits

NPCC conducted a spot check audit of NYPA's compliance with NERC reliability standard *PRC-001-1 – System Protection Coordination* from July 29, 2013 to August 3, 2013. The audit was completed in October. There were no violations identified and no areas of concerns or corrective recommendations noted. NYPA received a draft audit report from NPCC on October 24, 2013

NERC Reliability Assurance Initiative (RAI)

NYPA, along with other generation and transmission companies in North America, including Large Public Power Council ('LPPC') and American Public Power Association ('APPA') members, has been actively supporting the NERC and NPCC in moving this important NERC program forward. In particular, NYPA was selected by NPCC to participate in two pilot programs to test new compliance monitoring and enforcement tools; one is focusing on methods for assessing a company's internal controls for managing compliance and one is focusing on new tools for processing minimal risk violations of the standards.

Bulk Electric System Definition

The relevant background on this topic is contained in the July 31, 2012 report to the Governance Committee.

The Federal Energy Regulatory Commission ('FERC') approved the new Bulk Electric System ('BES') definition on December 20, 2012. The new definition will provide greater clarity and ensure consistency in identifying system elements across the nation's reliability regions and will require

transmission assets above 100kV to be subject to the NERC Reliability Standards. NYPA staff continued work to identify any compliance gaps for 40 newly identified BES elements under NYPA's current NERC registrations.

As stated in the last report, the adoption of the new BES definition may require NYPA to register as a Transmission Operator ('TOP') and/or a Transmission Planner ('TP'), which would require NYPA to demonstrate compliance with additional reliability standards. During the reporting period, NYPA continued to participate in meetings with the NYISO and the other NY Transmission Owners to assess new state-wide functional registration and compliance management impacts and actions pursuant to the new BES definition. NYPA staff having knowledge of these matters also met several times internally during the reporting period to further clarify the impacts on NYPA with respect to functional responsibility and compliance accountability for the TOP and TP Standards.

In addition, NYPA staff completed an assessment of potential Transmission Owner ('TO') registration compliance gaps for its 40 newly identified BES elements. For the few gaps identified, a corrective action plan has been developed and is being implemented. During the reporting period, NYPA continued to hold bi-lateral meetings with National Grid and New York State Electric and Gas to address projected gaps in compliance for the TO standards for newly identified NYPA BES assets located within their substations. Similar meetings with Consolidated Edison and LIPA were held. NYPA and Con Edison reached agreement on Memoranda of Understanding for managing reliability compliance for the TO standards for the Sprainbrook Substation (Y49 transmission line) and the Astoria Annex Substation. In addition, NYPA engaged in bi-lateral discussions with other Transmission Owners to discuss the Transmission Operator ('TOP') and Transmission Planning ('TP') responsibilities and the impacts of Version 5 of NERC's Critical Infrastructure Protection ('CIP') reliability standards on NYPA's newly identified BES assets located within their substations. These discussions are expected to continue until the end of the BES and CIP Version 5 implementation periods which end in 2015 and 2016, respectively.

NERC Recommendations To Industry – Facility Ratings for Transmission Lines

During the reporting period, NYPA continued to implement its work plan for responding to NERC's October 7, 2010 'NERC Alert – Recommendation to Industry' requiring NYPA to review its current Facility Ratings Methodology for its solely- and jointly-owned transmission lines to verify that the methodology is based on actual field conditions (in particular, line clearances). As stated in previous reports, the assessment discovered about 260 line clearance discrepancies in NYPA's 1,400 miles of transmission lines; about 50 of which were on lines rated as high priority. All of the discrepancies on the high priority lines have been corrected. The remediation of discrepancies on the medium priority lines is in progress and is expected to be completed in 2013. The remediation of discrepancies on the low priority lines is planned for completion in 2014. The next status report to NERC is due in January 2014.

Cyber Security Developments

During the reporting period, NYPA staff continued to monitor progress toward implementation of Version 5 of NERC's Critical Infrastructure Protection ('CIP') reliability standards. On November 21, 2013 FERC approved the CIP Version 5 reliability standards and nineteen new or revised definitions related to the new standards. FERC's draft final rule also approved the implementation plan and the effective dates proposed by NERC. Therefore, Version 4 will not become effective and Version 3 will remain in effect until the Version 5 effective date of April 1, 2016.

The approved Version 5 of the CIP standards will have substantive impacts on NYPA's CIP compliance program. Staff is in the process of performing a classification assessment of those assets that will be affected by the revised standards to determine the scope and costs of the implementation plan that will ensure NYPA's compliance with the revised standards. Expenditure estimates for implementation of CIP version 5 have been included in the Operations budget plan for 2014-2015.

ENVIRONMENTAL, HEALTH AND SAFETY AUDITS

SUMMARY

This report highlights aspects of NYPA's environmental, health and safety compliance audit program for the period from October 10, 2012 to December 17, 2013. Per the procedure for the program, reports to the Governance Committee are made annually. A brief background statement is followed by discussion of specific topics affecting the audit program.

BACKGROUND

Since 2006, NYPA has conducted environmental, health and safety audits at its facilities to ensure that they are operated and maintained in compliance with applicable laws, regulations, permits, policies and procedures. The audit findings identified various regulatory, policy and preferred management practice deficiencies which are being addressed by appropriate staff. They are categorized into three (3) levels which are prioritized based on risk.

Overall, NYPA's facilities have maintained substantial compliance with environmental, health and safety laws and regulatory requirements. The findings are primarily administrative in nature or address housekeeping issues which do not rise to a high risk level.

Environmental Safety and Health Audits

Audits were conducted at the 500 MW Project, Plattsburgh Substation, Saranac Substation, Cumberland Head Substation and Ashokan Hydroelectric Power Plant. The audits are divided into program audits and comprehensive environmental, health and safety audits. Audits at the Niagara, Kent and Pouch Power Projects and the Astoria Annex Substation were deferred to 2014 because of staffing issues.

This year, the most significant findings have been at the Cumberland Head, Plattsburgh and Saranac Substations. At all three substations, documentation of annual inspections and training for lockout/tagout procedures for major equipment was not available. Documentation was provided following the audit. At the Cumberland Head Substation a ladder opening was not guarded. At the Plattsburgh Substation, electrical cabinets with energized conductors were open. Staff is remediating these issues.

The 'Addendum to the Environmental Risk Assessment' to address health and safety compliance issues was finalized. Staff is preparing a scope of work to conduct a 'Management System Audit' in 2014. Per the procedure for the program, the Internal Audit Committee will meet in the first quarter of 2014 to discuss the status of the program and suggestions to improve the program."

DISCUSSION AGENDA

3. Minority and Women-Owned Business Enterprise – Statistics Follow-up Discussion

Supplier Diversity Program Update

Ms. Debra White, Director of Supplier Diversity, provided an update of the Authority's Supply Diversity Program activities. She said in 2012, the Authority achieved record-high Minority and Women-Owned Business Enterprise ("MWBEs") expenditures (\$65.8 million or 20%). In the first three quarters of 2013, \$58.6 million or 23% was expended. The Authority is therefore on track to surpass its 2012 record and 20% goal attainment as mandated by the State. Staff will report the expenditures for the fourth quarter of 2013 at the next meeting; the Authority is on track to achieve a new record. Ms. White continued that since the program's inception, the Authority has exceeded the \$772 million goal for MWBE expenditures and, based on the reports to date, the Authority will be able to achieve \$1 billion in MWBE expenditures within the next year.

Increasing MWBE Capacity and Expenditures

Ms. White said that at the last meeting members discussed how the Authority could increase its MWBE expenditures. She said, to that end, staff investigated different measures that could substantially increase the Authority's MWBE expenditures and attain the state's goal. Staff has identified a NYS certified MWBE firm that has recently established a relationship with GE as a distributor to provide digital energy and electrical generation management and equipment. This firm will be able to provide Charging Stations in support of the Authority's Charge New York initiative and other energy efficiency services and products. This addition could add \$10-12 million to the Authority's current MWBE expenditures. Staff will continue in its efforts to increase its MWBE expenditure by utilizing firms such as this, which typically did not have the opportunity to be a part of the program in the past.

Contractor Mentoring Program

The Authority is exploring the development of a Contractor Mentoring Program. The objective of this program is to increase the number of MWBEs capable of bidding successfully on larger construction contracts with the Authority, and to mentor firms that specialize in high-voltage transmission, hydroelectric maintenance and infrastructure, management and related construction disciplines. The program would seek to improve the firm's management, organization and construction

skills by teaching them new strategic tools to speed the growth of their businesses; to prepare the firms for proficiency in various categories including construction contract law, construction estimating, financial management, financial strategies, project management, project controls, OSHA safety, managing projects between \$500k and \$1.5 Million, planning and scheduling and professional development. Access to capital and bond assistance may also be included in the program. This three-year program will include formal mandatory classroom training. There will also be eligibility requirements and training which will be agreed upon as staff develops the particulars of the program.

Staff has investigated other mentor/protégé programs in New York State and has had discussions as to the plausibility of implementing such a program at NYPA. It was recommended that an outline of the scope-of-service for the development of a Request for Proposals (“RFP”) to be issued at the beginning of next year be drafted. It was noted that a significant amount of research will be required to obtain all the information necessary to create an effective scope-of-services.

The successful implementation of such a program would illustrate another example of how NYPA is working with its public and private partners to strengthen the regional economy, create new business opportunities and broaden workforce participation while, at the same time, increasing its pool of viable, certified MWBE’s capable of supporting its mission.

NYS Empire State Development Update

All state agencies and authorities, prime contractors and sub-contractors are required to participate in using the new NYS Contract System, a web-based system developed to streamline and simplify, by Empire State Development Corporation (“ESD”) standards, the MWBE processes. It was implemented in October of 2013. The system would be used as follows:

- To Provide information on bid opportunities;*
- For certification and recertification of women and minority-owned firms, contractors and sub-contractors;*
- For Contract monitoring, reporting and payment verification, and waivers for all contracts, not only those contracts that are subject to article 15-A which governs the NYS minority and women-owned business program.*

NYPA's Information Technology ("IT"), the Business to Government, the entity that NYS hired to put the program together, and ESD staffs will be meeting to discuss the integration protocols necessary to comply with the requirements and how to design and comply without compromising the integrity of NYPA's internal financial management systems. There are certain risks associated with this effort, including duplication of data; therefore, additional staff, funds and other resources will be necessary in order to comply with this requirement.

In response to a question from Chairman Nicandri, Ms. White said the increase in additional staffing necessary to comply with the requirement has not yet been determined. However, this increase will depend on the extent of what is necessary in terms of the integration, that is, the details of how the information will be entered into the system. Also, the persons who will be responsible for entering the data into the system will have to be trained.

Responding to further questioning from Chairman Nicandri, Ms. Tursi said, in the initial review of the requirements, staff found that there was some required data that the Authority did not currently have in its SAP system and this will require the Authority to make some modification to its SAP system. Staff is working to avoid any duplication of effort or any manual intervention which could pose a potential for errors. This project is going to require a very large IT effort.

Responding to a question from Authority Chairman Koelmel, Ms. White said the increase in contract awards is a result of staff's efforts working with various departments, in particular with the Energy Efficiency Department, which is the source of the bulk of the MWBE expenditures. She said mechanisms have been put in place to capture that information more effectively and staff has been working diligently to identify firms that are qualified to perform the contracts. This is a challenge for staff since the Authority is competing with other state agencies for these services. President Quiniones added that at the last Governance Committee meeting the members expressed the need to expand the pool and increase the capacity of individual firms already in the pool; Ms. White and her staff has been working to achieve this and the Authority has signed on additional MWBE firms statewide. In addition, on December 16, he attended the Governor's Cabinet meeting and it was reported that NYS, as a whole, exceeded the state's MWBE goals, recording 21% for the calendar year, making it a record year for the state. President Quiniones said this is a very great achievement for the state. NYPA is a contributor to

December 17, 2013

the state's attaining that goal. Ms. White added that the Authority has always exceeded this goal and that is why the timing is right to develop a Contractor Mentoring Program at NYPA.

4. **Motion to Conduct an Executive Session**

Mr. Chairman, I move that the Authority conduct an executive session pursuant to the Public Officers Law of the State of New York section §105 to discuss matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Upon motion made and seconded an Executive Session was held

5. **Motion to Resume Meeting in Open Session**

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made and seconded the meeting resumed in Open Session.

6. Next Meeting

The next regular meeting of the Governance Committee will be held on Tuesday, March 25, 2014, at 8:30 a.m. at the Authority's White Plains Office.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chairman at approximately 10:35 a.m.

A handwritten signature in black ink, appearing to read "Karen Delince". The signature is fluid and cursive, with a long horizontal stroke at the end.

Karen Delince
Corporate Secretary

December 17, 2013

EXHIBITS

TO

December 17, 2013

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY
September 30, 2013

The following is a summary of all procurement contracts including multi-year contracts awarded prior to September 30, 2013. These contracts have been active during 2013 and are \$5,000 or greater in value. There are 1,957 such contracts with a total estimated value of more than \$3.6 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-6 and 2b-7 of this report. The total expenditures thus far in 2013 have exceeded \$337 million for these contracts.

- 12% of these contracts are for construction work;
- 44% are for the purchase of equipment and commodities;
- 13% are for personal service contracts such as professional consulting services
- 1.5% are for architectural and engineering services
- 1.5% are for legal services
- 28% are for other services, such as maintenance, technicians, contracted personnel, maintenance and repairs.

Based on the total value of the contracts included in this summary, approximately 98% of the total dollars expended were for contracts that were competitively bid. The basis for the sole source awards included the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

DISPOSAL OF PERSONAL PROPERTY
January – October 2013

2013 YTD Report of Disposal of Personal Property

Public Authorities Law (“PAL”) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended by the Public Authorities Reform Act of 2009 (“PARA”), requires the Authority to prepare a report, not less frequently than annually, listing all Personal Property disposed of during the reporting period. Furthermore, pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President Procurement is required to report to the Committee at all regularly scheduled meetings. To that end, the 2013 YTD Report of Disposal of Personal Property over \$5,000 in value is attached. The description of the property, purchaser’s name and price received by the Authority, as required by PAL § 2896, will be presented in the official 2013 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 2014 meeting, referenced in the Authority’s § 2800 Annual Report and included in other filings with various State entities, in compliance with applicable law. The sale price and other additional data (such as fair market value, date of transaction, full address of purchaser, etc.) required by the Authorities Budget Office (“ABO”) will be included in the 2013 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2014.

FACILITIES – July – October 2013 Activity

During the reporting period, there were four (4) Personal Property Disposal transactions over \$5,000 in value, as further set forth on pages 1-2 of the attached Report. Of this number, three were for the disposal / sale of scrap metals at the Niagara Project, conducted under an existing competitively bid contract with Niagara Metals, resulting in payments to the Authority totaling \$39,076.03; the fourth transaction was for the sale of surplus generator/turbine blades and mixing elbows at the Flynn Project, which was competitively bid by the facility Property Disposal Coordinator (“PDC”) through a Request for Quotations (“RFQ”) and resulted in payment to the Authority of \$34,336.80.

The Facilities July – October 2013 “Price Received by the Authority” for these four transactions was \$73,412.83.

FACILITIES – 2013 YTD Summary and Subtotal

Pages 1-2 include seven (7) Personal Property disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) during the 2013 reporting year, as further set forth in the attached Report. All such disposal transactions were competitively bid

(through RFQs for individual transactions or competitively bid contracts). They are summarized below by Facility:

- Blenheim-Gilboa Project: 1 transaction – for the disposal of one generator step-up transformer, resulting in payment to the Authority of \$106,106.68;
- Niagara Project: 5 transactions – for the sale of scrap metals, resulting in net proceeds to the Authority of \$96,613.88;
- Poletti/Flynn Project: 1 transaction – for the sale of surplus generator/turbine blades and mixing elbows, resulting in net proceeds to the Authority of \$34,336.80.

The 2013 YTD Total “Price Received by the Authority” for these Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities and WPO was \$237,057.36.

FLEET – July – October 2013 Activity

During the reporting period, the Authority participated in a Fleet-related auction conducted on behalf of the Authority’s Fleet Operations division by the firm Auctions International, Inc. (of Buffalo, NY) on October 26, 2013 at L&L Storage in Utica, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 79 units or lots comprising light duty vehicles, heavy duty trucks and special equipment, of which there were 29 with a Sale Price over \$5,000, as set forth on pages 3-4 of the attached Report. The auction “Sale Price” (Gross) for these 29 units was \$368,850.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$364,820.00 after commission and transportation costs were deducted.

It should be noted that this auction also resulted in receipt by the Authority of an additional \$45,955.00 for the sale of 50 Fleet units with a value less than or equal to \$5,000, which are not included in the attached Report. Additionally, a single unit was sold via an online only auction conducted by Auctions International on August 12, 2013; this transaction resulted in receipt of \$3,650.00 by the Authority and therefore is also not included in the attached Report.

In summary, the October 26, 2013 auction resulted in the sale of 29 units over \$5,000, for a Fleet “Price Received by the Authority” (Net Amount) for July – October activity of \$364,820.00.

FLEET – 2013 YTD Summary and Subtotal

Pages 3-4 include 42 disposal transactions with a Sale Price over \$5,000 conducted on behalf of the Authority’s Fleet Operations division in 2013. The Authority participated in three Fleet-related auctions* conducted by the firm Auctions International, which resulted in the sale of a total of 100 units comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 42 disposal transactions with a Sale Price over \$5,000, which are listed on the attached Report. The total auction “Sale Price” (Gross) for these 42 units was

\$540,900.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$535,220.00 after commission and transportation costs were deducted.

*Two major auctions consisted of both a physical presence as well as an online component. The first auction took place on June 1, 2013 at the State Fair Grounds in Syracuse, NY and resulted in the sale of a total of 20 units, of which 13 were over \$5,000. The second auction was held on October 26, 2013, as further set forth above. There was also an online only auction held on August 12, 2013 for the sale of one unit for less than \$5,000.

Additionally, at their meeting of June 26, 2012, the Authority’s Trustees approved the transfer without charge of ten (10) Authority fleet vehicles to the New York State Office of General Services (“OGS”) for use by OGS in furtherance of its strategic goal to minimize state expenditures and become as efficient as possible in the use of all resources at their disposal. Nine (9) such transfers were completed as of 12/31/12 and were reported on the 2012 Report; the tenth and final transfer was completed during the First Quarter 2013 and therefore is listed on the attached Report (page 5).

In summary, the **2013 YTD Fleet Total “Price Received by the Authority” for the 42 auction transactions over \$5,000 was \$535,220.00.**

YTD Grand Total as of 10/31/13

As summarized on page 5 of the attached Report, the **2013 YTD Grand Total “Price Received by the Authority” (Net Amount)** for all Personal Property in excess of \$5,000 was **\$772,277.36** [Sale Price (Gross) \$777,957.36 less \$5,680.00 (commission / transportation fees, where applicable)]. (It should be noted that an additional \$62,120.00 was received for the sale of 58 Fleet units with a value less than or equal to \$5,000, which are not included in the attached Report.)

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
GENERATOR STEP-UP TRANSFORMER AT B-G PROJECT	TCI OF NY LLC	\$ 106,106.68	\$ 106,106.68
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 10,956.00	\$ 10,956.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 46,581.85	\$ 46,581.85
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 26,628.68	\$ 26,628.68
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 7,441.87	\$ 7,441.87
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 5,005.48	\$ 5,005.48

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SURPLUS GENERATOR/ TURBINE BLADES AND MIXING ELBOWS AT FLYNN PROJECT	GERSHOW RECYCLING	\$ 34,336.80	\$ 34,336.80
	SUBTOTAL:	\$ 237,057.36	\$ 237,057.36

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
1994 YALE FORK FORKLIFT	WILLIAM WEAVER	\$ 8,600.00	\$ 250.00	\$ 8,350.00
1999 CAT D4CXL DOZER	JEFFREY C IRWIN	\$ 25,000.00	\$ 140.00	\$ 24,860.00
2000 FONTAINE TRAILER	CHRIST RECYCLING LLC	\$ 6,500.00	\$ 200.00	\$ 6,300.00
2000 FONTAINE TRAILER	AP PROPERTY SERVICES LLC	\$ 6,000.00	\$ 260.00	\$ 5,740.00
2000 JOHN DEERE BACKHOE 410E	LAYO'S AUTO PARTS & SERVICE	\$ 30,000.00	\$ 90.00	\$ 29,910.00
2000 KOBELCO ED180 EXCAVATOR	NORTHERN SKY FARMS	\$ 29,000.00	\$ 140.00	\$ 28,860.00
2001 JOHN DEERE 200LC EXCAVATOR	BUCK CONSTRUCTION LLC	\$ 57,500.00	\$ 140.00	\$ 57,360.00
2001 JOHN DEERE 624 LOADER	AP PROPERTY SERVICES LLC	\$ 37,000.00	\$ 140.00	\$ 36,860.00
2001 TRAILING LOWBOY TRAILER	SCOTT SMITH 24 HR TOWING	\$ 24,500.00	\$ 200.00	\$ 24,300.00
2002 FORD F350 PICKUP	WILLIAM JUNE	\$ 7,700.00	\$ 100.00	\$ 7,600.00
2002 FORD F550 BUCKET TRUCK	VILLAGE TRUCK SALES INC	\$ 12,000.00	\$ 140.00	\$ 11,860.00
2003 FORD F550 STAKE RACK TRUCK	VILLAGE TRUCK SALES INC	\$ 10,500.00	\$ 100.00	\$ 10,400.00
2003 JACOBSEN MOWER HR5111	JOHN S KOMACEK	\$ 6,500.00	\$ 90.00	\$ 6,410.00
2004 FORD F550 TOW TRUCK	DAVE'S SERVICE CENTER	\$ 19,750.00	\$ 100.00	\$ 19,650.00
2004 PISTEN BULLY CANYON	PANELLA'S COLLISION INC	\$ 16,500.00	\$ 140.00	\$ 16,360.00
2005 CHEVY K1500 PICKUP	L & L SURPLUS OF UTICA INC	\$ 5,700.00	\$ 140.00	\$ 5,560.00
2005 CHEVY K250 PICKUP W/ PLOW	BJ MOTORS & DETAILING	\$ 9,100.00	\$ 100.00	\$ 9,000.00
2005 CHEVY K2500 PICKUP	SENECAL'S	\$ 10,200.00	\$ 140.00	\$ 10,060.00
2005 CHEVY SUBURBAN	WILLIAM WEAVER	\$ 8,400.00	\$ 100.00	\$ 8,300.00
2005 CHEVY TAHOE	JIMENEZ & SON CONSTRUCTION CO INC	\$ 10,250.00	\$ 140.00	\$ 10,110.00
2005 FORD ESCAPE-HYBRID	SDE EQUIPMENT SALES	\$ 5,900.00	\$ 140.00	\$ 5,760.00

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
2005 FORD ESCAPE-HYBRID	ANTHONY J BURNETT	\$ 6,500.00	\$ 140.00	\$ 6,360.00
2006 FORD E350 VAN	BUCK CONSTRUCTION LLC	\$ 6,000.00	\$ 140.00	\$ 5,860.00
2006 FORD ESCAPE-HYBRID	AP PROPERTY SERVICES LLC	\$ 6,000.00	\$ 140.00	\$ 5,860.00
2006 FORD ESCAPE-HYBRID	PRONTO TRANSPORT INC	\$ 5,300.00	\$ 140.00	\$ 5,160.00
2006 FORD ESCAPE-HYBRID	JOHN M MCGUIRE	\$ 6,300.00	\$ 140.00	\$ 6,160.00
2006 HONDA ACCORD-HYBRID	NORTHLAND MOTORS	\$ 6,800.00	\$ 140.00	\$ 6,660.00
2007 CHEVY TAHOE	ERIC CHAPMAN	\$ 11,250.00	\$ 100.00	\$ 11,150.00
2007 CHEVY TAHOE	AP PROPERTY SERVICES LLC	\$ 14,100.00	\$ 140.00	\$ 13,960.00
2007 FORD ESCAPE-HYBRID	PRONTO TRANSPORT INC	\$ 5,400.00	\$ 140.00	\$ 5,260.00
2007 FORD F350 PICKUP	BJ MOTORS & DETAILING	\$ 18,500.00	\$ 100.00	\$ 18,400.00
2007 TOYOTA HIGHLANDER-HYBRID	M & M BROS CAR SALES INC	\$ 9,300.00	\$ 140.00	\$ 9,160.00
2007 TOYOTA PRIUS-HYBRID	BRAVO AUTO SALES INC	\$ 5,600.00	\$ 140.00	\$ 5,460.00
2007 TOYOTA PRIUS-HYBRID	BRAVO AUTO SALES INC	\$ 5,900.00	\$ 140.00	\$ 5,760.00
2008 CHEVY IMPALA	DANIEL MUNTER	\$ 5,300.00	\$ 140.00	\$ 5,160.00
2008 FORD ESCAPE-HYBRID	SENECALS	\$ 9,000.00	\$ 140.00	\$ 8,860.00
2008 FORD F250 PICKUP	BJ MOTORS & DETAILING	\$ 16,800.00	\$ 100.00	\$ 16,700.00
2008 FORD F250 PICKUP	BJ MOTORS & DETAILING	\$ 15,700.00	\$ 100.00	\$ 15,600.00
2008 FORD F250 PICKUP	BJ MOTORS & DETAILING	\$ 14,750.00	\$ 100.00	\$ 14,650.00
2008 JACOBSEN MOWER HR9016	MOHAWK EQUIPMENT CORP	\$ 13,000.00	\$ 90.00	\$ 12,910.00
2009 DODGE DURANGO	SENECALS	\$ 6,000.00	\$ 140.00	\$ 5,860.00
2009 DODGE DURANGO	BRAVO AUTO SALES INC	\$ 6,800.00	\$ 140.00	\$ 6,660.00
FLEET SUBTOTAL:		\$ 540,900.00	\$ 5,680.00	\$ 535,220.00

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
<u>Transferred to NYS OGS w/o charge:</u>				
2005 FORD ESCAPE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
FLEET SUBTOTAL Page 4:		\$ 540,900.00	\$ 5,680.00	\$ 535,220.00
+ SUBTOTAL Page 2:		<u>\$ 237,057.36</u>	---	<u>\$ 237,057.36</u>
GRAND TOTAL:		<u>\$ 777,957.36</u>	\$ 5,680.00	<u>\$ 772,277.36</u>

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

**ACQUISITION AND DISPOSAL OF REAL PROPERTY
JULY 1- SEPTEMBER 30, 2013**

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee approved Expenditure Authorization Procedures. The reporting period is July 1 – September, 30, 2013.

I. ACQUISITIONS

1) Acquisitions by Deed or Easement:

Avery

Acquired by appropriation a permanent easement to 7.46 acres in the Town of Massena, County of St. Lawrence in support of Moses-Willis Line Separation. Title was vested by filing map no. SMA-500 with the St. Lawrence County Clerk on July 26, 2013.

John and Veronica Kempisty- Acquired a temporary easement over and across lands of Kempisty for the cutting, trimming, and removal of trees and brush along the NATL in the Town of Clay, Onondaga County. The Temporary Easement was recorded on July 23, 2013 and expires on July 25, 2037.

2) Danger Tree Permits- Danger tree permits acquired:

During this reporting period, the Authority acquired 8 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland. This is an on-going effort.

3) Land Use Permits- Land use permits issued along NYPA's transmission system:

During this reporting period, the real estate group issued 18 land use permits for use of the Authority's easement areas. These permits, with their accompanying insurance requirements, assure the use of the Authority's easement consistent with the operation of our transmission lines. In addition, these permits can be used to allow other State and municipal entities use of NYPA facilities. A listing of these permits and their respective purposes is set out below.

Permit No.

NPP-13-2P

Permittee

City of Niagara Falls School District

Type of Permit**Permit Requiring Insurance****Purpose**

Construct, install, operate, maintain, repair, replace, maintain, operate, and remove, in addition to athletic facilities previously authorized pursuant to Permit No. NPP-98-2P issued July 20, 1988 and recorded in the Niagara County Clerk's office on August 4, 1998 in Liber 2849 of Deeds at page 275 and to construct, reconstruct, install, improve, repair, replace, maintain, operate, and remove all of the improvements as listed and shown on Drawing Nos. NYPA-1 and NYPA-2 dated June 6, 2013.

Date Issued

7/15/2013

Permit No.

NPP-13-1P-A3

Permittee

Maid of the Mist Corporation & OPR & HP

Type of Permit**Permit Requiring Insurance****Purpose**

Construct a "Crane Pedestal" all as described in Package 2C, section 05120, pages 1-5 and section 05530, pages 1-5, dated April 27, 2013 and drawing numbers SB530, SB531, SB540, and SB541 dated April 26, 2013 submitted by the Permittee which are attached hereto and made a part hereof together with the necessary accessories and appurtenances thereto on or across land owned by the Authority which is under lease to NYSOPR&HP.

Date Issued

7/25/2013

Permit No.

NATL-13-3P

Permittee

North Country Contractors

Type of Permit**Permit Requiring Insurance****Purpose**

Construct, install, operate, maintain, repair, replace, and remove a sewer force main by means of a directional bore under New York State Route 31, North Road, and Shackelton Point Road and within the Authority's easement together with the necessary accessories and appurtenances thereto.

Date Issued

7/29/2013

Permit No.

NPP-13-1P-RV

Permittee

Maid of the Mist Corporation

Type of Permit**Permit Requiring Insurance****Purpose**

Elevator Shaft Reclamation Project for the elevator shaft clean-out work and demolition of part of the elevator shaft to elevation 565.0 feet and other work as shown on drawing SK-1 dated June 27, 2013.

Date Issued

7/30/2013

Permit No.

NPP-13-10P

Permittee

Foit-Albert Associates

Type of Permit

Site Access Agreement

Purpose

Access to 32 Fuhrmann Blvd. which is known as the First Buffalo River Marina, for the sole purpose of performing 3D scan of the Connecting Terminal Grain Elevator for the Erie Canal Harbor Development's Grain Elevator Illumination Project.

Date Issued

7/30/2013

Permit No.

SLPP-13-11P

Permittee

Town of Waddington and Young Explosives Corp.

Type of Permit

Site Access Agreement

Purpose

Access Ogden Island to set up and launch fireworks.

Date Issued

8/1/2013

Permit No.

SLPP-13-12P

Permittee

Town of Waddington

Type of Permit

Site Access Agreement

Purpose

Access Ogden Island to set up and launch fireworks.

Date Issued

8/1/2013

Permit No.

SLPP-13-10P

Permittee

Young Explosives Corp.

Type of Permit

Site Access Agreement

Purpose

Access Ogden Island to set up and launch fireworks.

Date Issued

8/6/2013

Permit No.

SLPP-13-9P

Permittee

Village of Waddington

Type of Permit

Site Access Agreement

Purpose

Authority shall provide Village and the attendees of the fishing Tournament and Fun Festival access to Whittaker park.

Date Issued

8/6/2013

Permit No.

NPP-13-7P

Permittee

O'Brien & Gere Inc. of North America

Type of Permit**Permit Requiring Insurance****Purpose**

Remove a portion of an existing "slag mound" of contaminated soil/slag and sediment. Also to construct a two foot thick cap over the remaining, existing piles and consolidated soil material within the Authority's 345 kV and 230 kV transmission lines which is located on a site known as Vanadium Corporation of America Site and also known as Operable Unit No. 3 Remedial Action.

Date Issued

8/7/2013

Permit No.

NATL-13-6P

Permittee

National Grid

Type of Permit**Permit Requiring Insurance****Purpose**

Construct, install, operate, maintain, repair, replace, maintain, operate, and remove underground electric lines, with the necessary accessories and appurtenances thereto, on or across land owned by or under the jurisdiction of the Authority in the Town of Clay, County of Onondaga.

Date Issued

8/7/2013

Permit No.

NPP-13-1P-RIV

Permittee

Maid of the Mist Corporation

Type of Permit**Permit Requiring Insurance****Purpose**

Construct and install "Lower Utilities" which include but not limited to electrical and telecommunications systems for the high bank.

Date Issued

8/12/2013

Permit No.

SLPP-13-13P

Permittee

St. Lawrence County Chamber of Commerce

Type of Permit**Site Access Agreement****Purpose**

Authority shall provide Chamber and their invitees to access the Whittaker Park area and Hawkins Point Visitors Center areas which have been designated as the sites for the St. Lawrence County Chamber of Commerce's 11th Annual International Jr. Carp Fishing tournament to be held on August 16, and 17, 2013.

Date Issued

8/15/2013

Permit No.

NPP-13-12P

Permittee

Teslafi, Inc.

Type of Permit**Special Use Permit****Purpose**

Filming of a scene for a movie feature film entitled "The American Side" which will be shot near the grain elevators at the First Buffalo Marina site.

Date Issued

8/19/2013

Permit No.

SLPP-13-15P

Permittee

Majestic Fireworks, Inc.

Type of Permit**Site Access Agreement****Purpose**

Have a 15 minute fireworks exposition at the Whelan Park, which is leased to the Town of Louisville for a wedding reception on September 21, 2013, which will be held across the road from the said park.

Date Issued

9/20/2013

Permit No.

NPP-13-1P-RVI

Permittee

Maid of the Mist Corporation

Type of Permit**Permit Requiring Insurance****Purpose**

Furnish, drill, install, and assemble a braced micro pile retaining wall at the locations and in the patterns as shown on the drawings provided in Package 2D.

Date Issued

9/24/2013

Permit No.

NATL-13-5P

Permittee

Rochester Gas & Electric

Type of Permit**Permit Requiring Insurance****Purpose**

Construct, install, operate, maintain, repair, replace and remove a 34.5kV sub-transmission line, together with necessary accessories and appurtenances thereto (hereinafter referred to as the "Facilities"), perpendicularly across the Authority transmission line easement located in the town of Butler, County of Wayne, State of New York.

Date Issued

9/27/2013

Permit No.

NPP-13-3P

Permittee

Niagara University

Type of Permit**Permit Requiring Insurance****Purpose**

A comprehensive permit consolidating permits previously granted to Niagara University with new permit rights in support of the NYPA-NU "Shared Campus Initiative".

Date Issued

9/27/2013

II. DISPOSITIONS – None this reporting period.

III. LEASING

1) Headquarters Leasing:

The Authority maintains facilities which it leases or subleases out to various tenants. The space is currently listed with our broker, CBRE, Inc., which has been actively marketing and showing the space.

Dahan & Nowick- WPO

During this reporting period, NYPA RE, together with the law department and corporate services, successfully negotiated and finalized the terms of a five year and one month lease with the law firm of Dahan & Nowick, LLP. This lease is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Initial Annual Rental</u>
Dahan & Nowick, LLP.	2,675 feet on The 9 th floor	July 31, 2018	\$69,549.96

2) Leasing Support for Operating Projects and Transmission Facilities:

Duke Realty- WPO

This lease is in support of warehouse needs at the White Plains office and has been extended until February 28, 2014 at a prorated annual rental of \$48,375.43.

Wheatfield Office Park

Exercised an option to extend an existing lease for a period of one year commencing November 1, 2013 and ending October 31, 2014. This lease contains approximately 7,790 square feet and has an annual rental of \$24,149. This lease is in support of the LPGA LEM.

Griffon Riverfront Park

Exercised an option to extend an existing lease for a period of one year, from July 1, 2013 through June 30, 2014 at an annual rent of \$250.00. This is for a water level gauging station.

During this reporting period and at the request of the Project, Real Estate terminated the lease with Joseph Hosking for a radio tower. This termination was effective July 31, 2013.

IV. ST. LAWRENCE RELICENSING

St. Lawrence Lands Program

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence F.D.R. Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. With these changes, the Authority intends to transfer jurisdiction over approximately 741 acres at Galop Island State Park and environmentally sensitive lands in Lisbon and Waddington to other state agencies. The remaining approximately 599 acres of removed lands are in the process of being conveyed either to the affected local municipality or to adjoining landowners, if interested. For all conveyed lands, the Authority would retain a flowage easement and access easements where appropriate to provide necessary rights to traverse conveyed lands for Project-related activities.

Deeds Filed						
NYPA Surplus Map No	NYPA Surplus Parcel No	Surplus Parcel Acres	Current Owners name	Appraisal Value	Deed Filed in County Clerk	Name of Town
1177C	8507	0.15	Amedeo J. Cappione	\$2,250.00	6/27/2013	Louisville
1177C	8500	0.35	Stanley F. Gallagher and Paula P. Gallagher	\$5,250.00	9/13/2013	Louisville

During this period, two deeds were finalized and recorded in the County Clerk's office. This brings the total to 507 of the 599 acres that have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 427 parcels have been completed.

GOVERNANCE
SUPPLIER DIVERSITY PROGRAM
July – September 2013

In the quarter ending September 30, 2013, NYPA awarded approximately \$19.8 million or 22.21% of our reportable expenditures to New York State Certified Minority and Women-Owned Business Enterprises (M/WBEs). From January 2013 thru September 30th, 2013, the Authority awarded approximately \$58.6 Million or 23% of our reportable expenditures to New York State Certified M/WBEs. NYPA remains on track to meet and or exceed the 20% state mandated goal for fiscal year 2013-2014. Reportable expenditures continue to exclude specialty procurements (such as transformers, circuit breakers, turbine runners and other major electrical generating equipment) and commodities such as natural gas, where no M/WBEs are available to provide such goods or services. NYPA has, however, recently identified a NYS certified MWBE firm who is partnering with General Electric (“GE”) as a distributor. This firm is capable of providing the entire line of GE equipment and products. They also specialize in electric grid resilience and electrical generation management among other energy efficient services and products. Conducting business with this firm could yield significant opportunities for increasing NYPA’s annual M/WBE goal attainment.

In NYPA’s effort to expand the capacity and increase the number of qualified M/WBEs capable of supporting its electric utility infrastructure as well as NYPA’s energy management areas of construction, Gil Quiniones along with several other senior staff members met with a firm to explore the development of a M/WBE contractor mentorship program here at the Authority. Based on their presentation and NYPA’s research on the School Construction Authority and the Port Authority of NY/NJ, the two (2) premier mentorship programs in NYS, a recommendation was made to outline the scope of services to meet NYPA’s M/WBE contractor mentorship program objectives and develop an RFP for competitive bidding purposes. The Governance committee will be updated on the progress of this effort.

The State of New York hosted an M/WBE Forum in Albany, NY in October of 2013. NYPA was acknowledged by Mylan Denerstein, Counsel to Gov. Cuomo as one of three entities achieving significant increases in state contracting with M/WBE’s during fiscal year 2012-2013. NYPA more than tripled its goals. The 1000+ audience included numerous Heads of Agencies and Authorities, Executive Directors, CEO’s, Commissioners and many State Senators and Legislators.

In support of its robust supplier diversity initiatives, NYPA continues to actively participate in outreach programs and events with various M/WBE entities.

INVENTORY STATISTICS**As of September 30, 2013**

Facility	2013	2012
Niagara	18,092,705	17,394,161
St. Lawrence	11,689,492	10,762,151
Blenheim-Gilboa	8,925,197	8,164,684
Clark Energy Center	5,309,158	5,179,569
Poletti Project ¹	8,126,764	6,236,507
Flynn Project ²	11,159,220	13,294,178
500 MW Project	25,516,095	24,956,798
Total Stock Value	\$88,818,630	\$85,988,048

¹ Includes \$1.3 million for net purchase of materials to support SCPP (\$482k) and Astoria Substation (\$856k) operations.

² Includes \$2.1 million reduction for Flynn degraded turbine blades and vanes that were scrapped 05/2013.

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R A	O A	N A	P A	W E	B S	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B			F				39	\$82,058,457	\$82,058,457	\$26,699,554	\$0	11/19/2008	O	*	
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B			F				39	\$148,511,468	\$148,511,468	\$0	\$0	3/21/2007	O	*	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B			F				39	\$168,290,671	\$168,290,671	\$0	\$0	12/01/01	O	*	
FD-2009-03	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Balancing Service	E	S			O		F			\$5,225,000	\$5,225,000	\$825,000	\$0	01/01/09	O	12/31/14	
FD-2009-04	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S			O		F			\$11,804,759	\$11,804,759	\$2,122,424	\$0	01/01/09	O	12/31/14	
FD-2009-05	nationalgrid-NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	S			O		F			\$6,923,481	\$6,923,481	\$1,267,287	\$0	03/01/09	O	03/31/14	
FD-2009-06	nationalgrid -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S			O		F			\$837,517	\$837,517	\$207,005	\$0	03/01/09	O	03/31/14	
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B			F				39	\$31,365,498	\$31,365,498	\$2,443,028	\$0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B			F				39	\$1,286,927	\$1,286,927	\$276,500	\$0	02/01/10	O	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B			F				39	\$14,775,294	\$14,775,294	\$754,320	\$0	08/09/10	O		
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B			F				39	\$11,017,721	\$11,017,721	\$0	\$0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B			F				39	\$83,241,402	\$83,241,402	\$0	\$0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B			F				39	\$205,598,782	\$205,598,782	\$0	\$0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B			F				39	\$55,860,651	\$55,860,651	\$0	\$0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B			F				39	\$629,265,426	\$629,265,426	\$38,864,956	\$0	07/11/03	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y O A	M R A	R A E	O P A	W P A	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B			F		39	\$74,341,995	\$74,341,995	\$10,024,112	\$0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B			F		39	\$180,117,537	\$180,117,537	\$0	\$0	06/01/04	O	*	
FD-2004-14	ONEOK ENERGY SERVICES CO. 100 West Fifth Street Tulsa, OK 74103	Natural Gas Purchase	E	B			F		39	\$95,732,355	\$95,732,355	\$0	\$0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B			F		39	\$73,839,766	\$73,839,766	\$0	\$0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B			F		39	\$252,559,515	\$252,559,515	\$46,566,403	\$0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B			F		39	\$126,500,213	\$126,500,213	\$0	\$0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B			F		39	\$44,715,916	\$44,715,916	\$0	\$0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	S			F			\$25,479,947	\$25,479,947	\$2,392,215	\$0	07/01/06	O	10/31/17	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S			F			\$18,896,083	\$18,896,083	\$1,816,856	\$0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	S			F			\$11,120,062	\$11,120,062	\$1,273,583	\$0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B			F		39	\$23,092,518	\$23,092,518	\$8,235,595	\$0	10/01/06	O	*	
FD-2007-08	ASSOCIATED ENERGY SERVICES (Formerly Spark Energy Gas) 3010 Briarpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B			F		39	\$129,102,027	\$129,102,027	\$25,531,106	\$0	02/14/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S			F			\$41,335	\$41,335	\$7,033	\$0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B			F		39	\$72,450	\$72,450	\$0	\$0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, TX 77010	Natural Gas Purchase	E	B			F		39	\$14,597,304	\$14,597,304	\$0	\$0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B			F		39	\$36,067,470	\$36,067,470	\$0	\$0	03/01/08	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S		F			\$12,875,042	\$12,875,042	\$405,815	\$0	04/01/94	O	09/30/13	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S		F			\$4,042,020	\$4,042,020	\$101,453	\$0	10/01/93	O	09/30/13	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		39	\$270,825,075	\$270,825,075	\$1,195,378	\$0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B		F		39	\$447,833,959	\$447,833,959	\$17,472,628	\$0	05/01/97	O	*	
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S		F			\$22,484,498	\$22,484,498	\$2,823,035	\$0	08/01/08	O	04/30/16	
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B		F		39	\$47,096,447	\$47,096,447	\$572,075	\$0	07/01/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B		F		39	\$520,725	\$520,725	\$0	\$0	12/01/08	O	*	
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B		F		39	\$57,789,912	\$57,789,912	\$25,211,546	\$0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B		F	X	39	\$12,266,833	\$12,266,833	\$1,782,733	\$0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B		F		39	\$11,185,173	\$11,185,173	\$5,432,012	\$0	06/01/11	O	*	
FD-2012-02	REPSOL ENERGY NORTH AMERICA 2001 Timberloch Place Suite 3000 The Woodlands, Tx 77380	Natural Gas Purchase	E	B		F		39	\$12,716,727	\$12,716,727	\$11,319,067	\$0	11/13/12	O	*	
FD-2011-04	SAYBOLT LP Laboratories Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B		F			\$48,187	\$48,187	\$16,869	\$0	01/01/11	O	12/31/13	
FD-2011-11	STATOIL NATURAL GAS, LLC 120 Long Ridge Road, Stamford CT 06902	Natural Gas Purchase	E	B		F		39	\$1,047,506	\$1,047,506	\$1,047,506	\$0	04/18/12	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R A	O P A	M W E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-12	CHESAPEAKE ENERGY MARKING, INC 900NW 63 Road, Oklahoma City OK 73118	Natural Gas Purchase	E	B		F		39	\$1,047,507	\$962,100	\$962,100		05/28/13	O	*	
FD-2013-11	GEORGE E WARREN CO 3001 Ocean Drive Vero Beach, FL 32963	OIL PURCHASE	S	B		F		11	\$2,608,818	\$2,608,818	\$2,608,818	\$0	01/25/13	C		01/30/13
FD-2013-02	PHILLIP 66 CO 600 N. Dairy Ashford Houston, TX 77079	OIL PURCHASE	S	B		F		11	\$2,833,242	\$2,833,242	\$2,833,242	\$0	01/25/13	C		02/06/13
FD-2013-03	NORTHVILLE INDUST. CORP NIC 25 Melville Park Road Melville, NY 11747	OIL PURCHASE	S	B		F		11	\$985,223	\$985,223	\$985,223	\$0	01/25/13	C		01/31/13
FD-2013-04	NORTHVILLE INDUST. CORP NIC 25 Melville Park Road Melville, NY 11748	OIL PURCHASE	S	B		F		11	\$2,565,873	\$2,565,873	\$2,565,873	\$0	02/14/13	C		02/28/13
FD-2013-05	APEX OIL CO INC 8235 Forsyth Blvd Suite 400 Saint Louis, Mo 63105	OIL PURCHASE	S	B		F		11	\$4,336,946	\$4,336,946	\$4,336,946	\$0	02/20/13	C		03/04/13

FUELS TOTALS	\$3,477,449,260	\$3,477,363,853	\$250,979,296
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NOTE:

* Contract continues until terminated by NYPA or Counterparty upon specified notice.

(1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y A	M A	R A	O A	P A	M A	B A	I A	D A	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED GAS 2013	AMOUNT EXPENDED OIL 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B				F				39	\$82,058,457	\$82,058,457	\$26,699,554		\$0	11/19/2008	O	*	
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B				F				39	\$148,511,468	\$148,511,468	\$0		\$0	3/21/2007	O	*	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B				F				39	\$168,290,671	\$168,290,671	\$0		\$0	12/01/01	O	*	
FD-2009-03	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Balancing Service	E	S				O					\$5,225,000	\$5,225,000	\$825,000		\$0	01/01/09	O		12/31/14
FD-2009-04	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S				O					\$11,804,759	\$11,804,759	\$2,122,424		\$0	01/01/09	O		12/31/14
FD-2009-05	nationalgrid-NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	S				O					\$6,923,481	\$6,923,481	\$1,267,287		\$0	03/01/09	O		03/31/14
FD-2009-06	nationalgrid -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S				O					\$837,517	\$837,517	\$207,005		\$0	03/01/09	O		03/31/14
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B				F				39	\$31,365,498	\$31,365,498	\$2,443,028		\$0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B				F				39	\$1,286,927	\$1,286,927	\$276,500		\$0	02/01/10	O	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B				F				39	\$14,775,294	\$14,775,294	\$754,320		\$0	08/09/10	O		
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B				F				39	\$11,017,721	\$11,017,721	\$0		\$0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B				F				39	\$83,241,402	\$83,241,402	\$0		\$0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B				F				39	\$205,598,782	\$205,598,782	\$0		\$0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B				F				39	\$55,860,651	\$55,860,651	\$0		\$0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B				F				39	\$629,265,426	\$629,265,426	\$38,864,956		\$0	07/11/03	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y O A	M A	R A	O P A	W B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED GAS 2013	AMOUNT EXPENDED OIL 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B			F		39	\$74,341,995	\$74,341,995	\$10,024,112		\$0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B			F		39	\$180,117,537	\$180,117,537	\$0		\$0	06/01/04	O	*	
FD-2004-14	ONEOK ENERGY SERVICES CO. 100 West Fifth Street Tulsa, OK 74103	Natural Gas Purchase	E	B			F		39	\$95,732,355	\$95,732,355	\$0		\$0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B			F		39	\$73,839,766	\$73,839,766	\$0		\$0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B			F		39	\$252,559,515	\$252,559,515	\$46,566,403		\$0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B			F		39	\$126,500,213	\$126,500,213	\$0		\$0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B			F		39	\$44,715,916	\$44,715,916	\$0		\$0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	S			F			\$25,479,947	\$25,479,947	\$2,392,215		\$0	07/01/06	O	10/31/17	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S			F			\$18,896,083	\$18,896,083	\$1,816,856		\$0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	S			F			\$11,120,062	\$11,120,062	\$1,273,583		\$0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B			F		39	\$23,092,518	\$23,092,518	\$8,235,595		\$0	10/01/06	O	*	
FD-2007-08	ASSOCIATED ENERGY SERVICES (Formerly Spark Energy Gas) 3010 Briorpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B			F		39	\$129,102,027	\$129,102,027	\$25,531,106		\$0	02/14/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S			F			\$41,335	\$41,335		\$7,033	\$0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B			F		39	\$72,450	\$72,450	\$0		\$0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B			F		39	\$14,597,304	\$14,597,304	\$0		\$0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B			F		39	\$36,067,470	\$36,067,470	\$0		\$0	03/01/08	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y O A	M A	R A	O A	N A	P A	W B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED GAS 2013	AMOUNT EXPENDED OIL 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S					F			\$12,469,227	\$12,469,227		\$405,815	\$0	04/01/94	O	09/30/13	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S					F			\$4,042,020	\$4,042,020		\$101,453	\$0	10/01/93	O	09/30/13	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B					F		39	\$270,825,075	\$270,825,075	\$1,195,378		\$0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B					F		39	\$447,833,959	\$447,833,959	\$17,472,628		\$0	05/01/97	O	*	
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S					F			\$22,484,498	\$22,484,498	\$2,823,035		\$0	08/01/08	O	04/30/16	
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B					F		39	\$47,096,447	\$47,096,447	\$572,075		\$0	07/01/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B					F		39	\$520,725	\$520,725	\$0		\$0	12/01/08	O	*	
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B					F		39	\$57,789,912	\$57,789,912	\$25,211,546		\$0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B					F	X	39	\$12,266,833	\$12,266,833	\$1,782,733		\$0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B					F		39	\$11,185,173	\$11,185,173	\$5,432,012		\$0	06/01/11	O	*	
FD-2012-02	REPSOL ENERGY NORTH AMERICA 2001 Timberloch Place Suite 3000 The Woodlands, Tx 77380	Natural Gas Purchase	E	B					F		39	\$12,716,727	\$12,716,727	\$11,319,067		\$0	11/13/12	O	*	
FD-2011-04	SAYBOLT LP Laboratories Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B					F			\$48,187	\$48,187		\$16,869	\$0	01/01/11	O	12/31/13	
FD-2011-11	STATOIL NATURAL GAS, LLC 120 Long Ridge Road, Stamford CT 06902	Natural Gas Purchase	E	B					F		39	\$1,047,506	\$1,047,506	\$1,047,506			04/18/12	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2013
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y O A	M A	R A	O A	N A	P A	W B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED GAS 2013	AMOUNT EXPENDED OIL 2013	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-12	CHESAPEAKE ENERGY MARKING, INC 900NW 63 Road, Oklahoma City OK 73118	Natural Gas Purchase	E	B					F		39	\$1,047,507	\$962,100	\$962,100			05/28/13	O	*	
FD-2013-11	GEORGE E WARREN CO 3001 Ocean Drive Vero Beach, FL 32963	OIL PURCHASE	S	B					F		11	\$2,608,818	\$2,608,818		\$2,608,819	\$0	01/25/13	C		01/30/13
FD-2013-02	PHILLIP 66 CO 600 N. Dairy Ashford Houston, TX 77079	OIL PURCHASE	S	B					F		11	\$2,833,242	\$2,833,242		\$2,833,242	\$0	01/25/13	C		02/06/13
FD-2013-03	NORTHVILLE INDUST. CORP NIC 25 Melville Park Road Melville, NY 11747	OIL PURCHASE	S	B					F		11	\$985,223	\$985,223		\$985,224	\$0	01/25/13	C		01/31/13
FD-2013-04	NORTHVILLE INDUST. CORP NIC 25 Melville Park Road Melville, NY 11748	OIL PURCHASE	S	B					F		11	\$2,565,873	\$2,565,873		\$2,565,873	\$0	02/14/13	C		02/28/13
FD-2013-05	APEX Oil CO INC 8235 Forsyth Blvd Suite 400 Saint Louis, Mo 63105	OIL PURCHASE	S	B					F		11	\$4,336,946	\$4,336,946		\$4,336,946	\$0	02/20/13	C		03/04/13

FUELS TOTALS \$3,477,043,445 \$3,476,958,038 \$237,118,024 \$13,861,274

NOTE:
 * Contract continues until terminated by NYPA or Counterparty upon specified notice.
 (1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O N P A	M W B D E S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N		421,801.54	421,801.54	-	-	2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- ARTN	S	C	9	N		222,271.50	222,271.50	10,673.50	-	9/2/2003	O	3/1/2020	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N		127,350.96	127,350.96	5,759.94	-	10/2/2006	O	*	
Bank of Nova Scotia One Liberty Plaza, 26th Fl. New York, NY 10006	Revolving Line of Credit for ARTN	S	C	9	N	6	1,300,900.83	1,023,460.54	71,123.78	277,440.29	9/4/2007	O	9/1/2015	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N		1,383,667.74	1,383,667.74	92,848.32	-	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	2	9	N		10,775.00	10,775.00	-	-	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N		463,712.01	463,712.01	9,928.75	-	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N		962,252.59	962,252.59	27,693.13	-	12/4/1997	O	*	

POWER AUTHORITY OF THE STATE OF NEW YORK
2013 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	P N A	M B D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N		780,490.91	780,490.91	59,748.10	-	3/4/2003	O	*	
Goldman, Sachs & Co. ** 85 Broad Street New York, NY 10004-2456	ART Notes Remarketing	S	C	9	N		2,159,135.00	2,159,135.00	153,700.00	-	5/15/1985	O	3/1/2020	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N		224,800.24	224,800.24	9,774.90	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N		597,795.04	597,795.04	8,712.32	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N		512,432.70	512,432.70	12,063.55	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2011	S	C	9	N	2	10,928,888.89	9,826,597.23	2,726,041.67	1,102,291.66	1/20/2011	O	1/20/2014	

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O N A	P A	M B D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	9	N		7	217,908.27	217,908.27	49,979.47	-	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N			349,290.68	349,290.68	79,233.55	-	7/14/1994	O	*	
CORPORATE FINANCE TOTALS								<u>20,663,473.90</u>	<u>19,283,741.95</u>	<u>3,317,280.98</u>	<u>1,379,731.95</u>				

NOTES:

* Contract continues until terminated by NYPA or Counterparty upon specified notice

** Expense History only available from 1997

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

TOTAL NUMBER OF CONTRACTS	16	
TOTAL CONTRACT VALUE		\$20,663,474
TOTAL EXPENDED TO DATE		\$19,283,742
TOTAL EXPENDED IN REPORT YEAR		\$3,317,281
TOTAL CONTRACT BALANCE		\$1,379,732

STATUS SUMMARY

TOTAL NUMBER OPEN CONTRACTS	16
TOTAL NUMBER CLOSED CONTRACTS	0

METHOD OF AWARD SUMMARY

TOTAL NUMBER COMP BID	
TOTAL NUMBER SOLE SOURCE/SINGLE SOURCE	1
TOTAL NUMBER COMP SEARCH	15
TOTAL NUMBER MWBE/SBE	

COMMITMENT TYPE SUMMARY

TOTAL NUMBER ARCHITECTURAL & ENGINEERING SERVICES	
TOTAL NUMBER CONSTRUCTION	
TOTAL NUMBER EQUIP/GOODS/COMMODITY	
TOTAL NUMBER LEGAL SERVICES	0
TOTAL NUMBER PERSONAL SERVICES	
TOTAL NUMBER OTHER NON PERSONAL SERVICES	16