

***MINUTES OF THE REGULAR MEETING
OF
THE ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD***

March 30, 1998

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March 30, 1998

A regular meeting of the Economic Development Power Allocation Board was held at the offices of the Power Authority of the State of New York at 1633 Broadway, New York City, at 10:00 a.m.

The following Members of the Board were present:

1. Clarence D. Rappleyea - Chairman
2. H. Douglas Barclay
3. Joseph A. DelSindaco
4. James A. Duncan

Also in attendance were:

Eugene W. Zeltmann	President and Chief Operating Officer, NYPA
David E. Blabey	Executive Vice President, Secretary and General Counsel
C. John Clemente	Deputy General Counsel, NYPA
Joseph J. Carline	Assistant General Counsel, NYPA
Gary Paslow	Executive Director – Policy Development, NYPA
James H. Yates	Director – Business Marketing and Economic Development, NYPA
James F. Pasquale	Manager – Business Power Allocation and Compliance, NYPA
Anne Wagner-Findeisen	Deputy Secretary, NYPA
Vernadine E. Quan-Soon	Assistant Secretary – Corporate Affairs, NYPA
Laura M. Badamo	Assistant Secretary - Legal Affairs, NYPA
Michael A. Petralia	Vice President – Public Affairs, NYPA
John L. Murphy	Director – Public Information, NYPA
Joseph W. Gryzlo	Attorney

Chairman Rappleyea presided at the meeting and Mr. Blabey kept the minutes.

March 30, 1998

2. Adoption of Minutes

The minutes of the meeting of March 30, 1998 were unanimously adopted by the members of the Board.

March 30, 1998

3. Opening Remarks of Chairman Clarence D. Rappleyea

Chairman Rappleyea welcomed the Board members, underscoring that this meeting marks the fourth month of the first program year of Power for Jobs, and that the Board members will consider the first group of recommendations under the small business portion of the program. The Chairman pointed out that the statute sets aside 75 MW of the program's three year total of 400MW for "small businesses and not-for-profit corporations," and that he anticipates the first group of not-for-profits to be considered at the Board's next meeting.

The Chairman observed that the Business Council of New York State and the National Federation of Independent Business were conducting "Small Business Day" today in Albany, and that the Power Authority is sponsoring a Power for Jobs exhibit booth at the event. Thus, it is especially appropriate that the EDPAB consider the first small business allocations of the Power for Jobs program today.

In addition, there is one regular business application to consider the ESDC has requested be granted this Board's urgent attention because of the immediacy of the firm's decision-making timetable.

Mr. Yates presented a review of the recommended allocations by utility service territory as follows:

March 30, 1998

4. **Flower City Printing, Inc.**

The Members of the Board considered the application for Power for Jobs for retention purposes submitted on behalf of Flower City Printing, Inc. of Monroe County, and located in the Rochester Gas & Electric service territory.

Flower City Printing (“FCP”) and Carta Technologies, Inc. (“CTI”) are packaging and commercial printers ranking in the top 500 printers in North America. The company was founded 27 years ago, targeting high quality commercial printing from consumer oriented manufacturing companies in New York State. Recent plans have been made to consolidate and relocate both FCP and CTI locations. The company is currently contemplating relocating its facilities to North Carolina where it would enjoy reduced energy costs. The company would like to add a new \$4,000,000 printing press at its New York State facility as opposed to North Carolina. If the press were relocated to North Carolina, the company would begin to phase out operations in New York over the next five years and reduce employment levels correspondingly. An allocation of Power for Jobs power will assist FCP and CTI with their consolidation and expansion plans and help keep 167 existing jobs and add 100 new jobs in New York.

Following consideration of such application, the members of the Board voted unanimously to adopt the following resolution.

WHEREAS, Flower City Printing, Inc. has applied for an allocation of Power for Jobs Service for job retention purposes; and

WHEREAS, an allocation of 500 kW would result in a ratio of 534 jobs per MW for Flower City Printing, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meets the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York this allocation discussed herein totaling 500 kW for Rochester Gas & Electric’s service territory for three years, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

applicant to maintain a total of 267 jobs;

**such allocation shall be subject to the reduction of power
and affirmative action provisions set forth in the Power Authority's
standard form of contract for Power for Jobs Service.**

5. **Precision Packaging Products**
Air-Flo Manufacturing Co., Inc.
Audiosears Corporation
Consumer's Beverage Centers
Jerrico Tool, Inc.
KMS Plastics, LLC
Lancaster Knives, Inc.
Merritt Plywood Machinery, Inc.
Niagara Fiberboard, Inc.
Norwich Aero Products, Inc.
Style Craft Homes
TMP Technologies

The Members of the Board considered the applications for Power for Jobs for retention purposes submitted on behalf of Precision Packaging Products, located in the Rochester Gas & Electric service territory in Monroe County; Air-Flo Manufacturing Co., Inc. of Steuben County; Audiosears Corporation of Delaware County; Consumer's Beverage Centers, and Jerrico Tool, Inc. of Erie County; KMS Plastics, LLC of Oneonta County; Lancaster Knives, Inc. of Erie County; Merritt Plywood Machinery, Inc. and Niagara Fiberboard, Inc. of Niagara County; Norwich Aero Products, Inc. of Chenango County; Style Craft Homes, and TMP Technologies of Erie County, all located in the New York State Electric & Gas service territory.

These twelve applications are each less than 400 kW demand and have been aggregated for purposes of qualifying under the small business provisions of the Power for Jobs program.

Precision Packaging Products - Precision Packaging Products was founded in December 1981 as a specialty packaging distributor. The company's prior focus was to provide the customer with creative new packaging ideas and materials. In 1986, due to ever-increasing demand, Precision purchased a small local thermoformer, launching the company into the packaging thermoforming area. Thermoforming is the company's main focus today.

Precision is looking at an area in Hazelton, PA., where it would be able to rent space from the company's largest supplier at a utility cost less of \$.04 cents per kilowatt hour.

An allocation from the Power for Jobs program would allow Precision Packaging to remain competitive and stay in Rochester, N.Y.

Air-Flo Manufacturing Co., Inc. - Air-Flo Manufacturing Company, Inc. is a manufacturer of ice control equipment and truck bodies used in the construction industry. Three Prattsburgh facilities house assembly, metal fabrication, welding, paint shop, warehousing, and general office functions. An allocation of Power for Jobs power will

increase manufacturing operations and help to create 30 new jobs over the next three years while maintaining 80 existing jobs.

Audiosears Corporation - Audiosears is a maker of audio equipment, serving mostly military and commercial contracts since 1960. The company's high electricity costs had hindered it from increasing its workforce. Audiosears currently employs 119. A Power For Jobs allocation would help the company maintain this job level and add 23 proposed new jobs.

Consumer's Beverage Centers – Consumer's Beverage is a family-owned business. The father, three sons and one daughter are involved in the company. Consumer's was incorporated in 1948. There are 17 locations, of which 15 are exclusively for distribution purposes. One location is administrative, and one location is a warehouse and manufacturing facility.

The company manufactures keg soft drinks and other beverages, distributes beer/soft drinks exclusively in its own outlets through the company's warehouse distribution center. It also supplies soft drinks to over 100 restaurants and eating establishments in Erie and Niagara County. According to Consumer's owners, the cost of electricity is impeding the company's growth and expansion. Electricity is the second most costly expense after payroll. The owners indicate that "if this excessive cost continues, the growth and expansion will have to be curtailed. The company presently employs 30 full time employees and 150 part time. The part time employees work no less than 20 hours per week and will be counted two for one. This rule will also apply to the 20 new employees".

Jerrico Tool, Inc. - Jerrico Tool, Inc. located in Alden, builds plastic injection molds. The company has recently purchased two molding machines, and expects to begin its molding operations as soon as possible. Because molding machines consume large amounts of electrical energy, the company needs a more economical electric rate if it is to remain a viable and growing company in New York State.

KMS Plastics, LLC - KMS Plastics LLC is an affiliate company of Audiosears. KMS makes injected molded plastic parts. The company is struggling to compete and is seeking Power For Jobs to retain job levels. Electricity is the third largest component of its product costs, behind material and labor. Without a Power For Jobs allocation, the company indicates that it cannot maintain current employment levels and 20 jobs are at risk.

Lancaster Knives, Inc. - Lancaster Knives, Inc. manufactures a full line of industrial knives used in cutting, peeling, slicing such things as paper, plywood, metal, plastic, food processing, etc. The company is in an industry dominated by foreign-controlled companies and must compete on a global basis. An allocation of Power for Jobs power will help Lancaster Knives reduce its operating costs and allow it to compete more effectively in a foreign-dominated market.

Merritt Plywood Machinery, Inc. - Merritt Plywood Machinery Inc. is seeking Power for Jobs for an expansion. This private company specializes in machine design and

manufacturing for the hardwood, veneer and plywood industry. Several of its customers have asked the company to develop new products to improve production in the veneer industry. This would require the company to expand its current site, adding 5 new jobs to its payroll. Company says expansion is “highly unlikely if a power allocation is not received.”

Niagara Fiberboard, Inc. - Niagara Fiberboard Inc. began in 1987 and represents the continuation of the former Upson Company in Lockport. The company is seeking power for jobs to launch a new product line and increase sales and competitiveness. As part of this undertaking, the company will add 7 new jobs. Equipment currently on site would be used for production. The company also indicates that power for jobs would aid in maintaining current job levels.

Norwich Aero Products, Inc. - Norwich Aero Products designs and manufactures a complete line of thermocouples, platinum and nickel resistant temperature detectors, electrical harnesses, high temperature connectors, speed sensors and subsystems for the aerospace industry. In 1996 the New York State Department of Economic Development recognized the company for its excellence in technology for the southern tier of the State.

Norwich has consistently grown 25% per year since 1995, and similar growth is forecasted over the next three years. New products/markets and increased production demand will require additional capital equipment and personnel and the continuing expansion of the facility. It is estimated that 73 new jobs will be added at the facility over the next three years.

Style Craft Homes - Style Craft Homes Inc. manufactures modular homes in a factory located at the juncture of Erie, Genesee and Wyoming Counties. It employs 50 people in a rural area where there are few employment opportunities. The ability to contain costs is critical to the survival of the company. Inability to cut or contain costs will result in the company severely curtailing operations or closing.

TMP Technologies - TMP Technologies is a maker of foam, rubber and plastic products for various markets, including business, medical and consumer. It operates at two locations: Buffalo and Wyoming. The company is growing at a very rapid pace--17% over the last five years. It expects this growth to continue, increasing its electricity usage by 25%. In order to meet its growing demand and remain competitive, TMP needs to reduce its electricity costs, which account for a combined 9.99% of its operations costs. The company seeks to keep its 163 current jobs in New York State and hopes to add 65 new jobs to that number over the next three years. It has researched relocating and is particularly interested in the state of Wyoming, which offers electricity rates that are 43% lower than Niagara Mohawk's (host utility for its other facility), lower taxes and lower employment rates. The company is requesting a power for jobs allocation at both of its sites.

Following consideration of such applications, the members of the Board voted unanimously to adopt the following resolution.

WHEREAS, Precision Packaging Products, Inc. of Monroe County; Air-Flo Manufacturing Co., Inc. of Steuben County; Audiosears Corporation of Delaware County; Consumer's Beverage Centers and Jerrico Tool, Inc. of Erie County; KMS Plastics, LLC of Oneonta County; Lancaster Knives, Inc. of Erie County; Merritt Plywood Machinery, Inc., and Niagara Fiberboard, Inc. of Niagara County; Norwich Aero Products, Inc. of Chenango County; Style Craft Homes and TMP Technologies of Erie County have applied for allocations of Power for Jobs Service for job retention purposes; and

WHEREAS, an allocation of 250 kW would result in a ratio of 93 jobs per MW for Precision Packaging Products; an allocation of 130 kW would result in a ratio of 846 jobs per MW for Air-Flo Manufacturing; an allocation of 187 kW would result in a ratio of 759 jobs per MW for Audiosears Corporation; an allocation of 240 MW would result in a ratio of 250 jobs per MW for Consumer's Beverage, Inc.; an allocation of 20 kW would result in a ratio of 750 jobs per MW for Jerrico Tools, Inc.; an allocation of 240 kW would result in a ratio of 200 jobs per MW for KMS Plastics LLC; an allocation of 400 kW would result in a ratio of 133 jobs per MW for Lancaster Knives, Inc.; an allocation of 75 kW would result in a ratio of 253 jobs per MW for Merritt Plywood Machinery, Inc.; an allocation of 216 kW would result in a ratio of 171 jobs per MW for Niagara Fiberboard Inc.; an allocation of 200 kW would result in a ratio of 835 jobs per MW for Norwich Aero Products, Inc.; an allocation of 150 kW would result in a ratio of 333 jobs per MW for Style Craft Homes, Inc.; and an allocation of 268 kW would result in a ratio of 224 jobs per MW for TMP Technologies;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the twelve allocations discussed herein totaling 250 kW for Rochester Gas & Electric's service territory for three years and 2,126 kW for New York State Electric & Gas's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicants to maintain a total of 796 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

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6. **Baronet Litho**
Capital Vial, Inc.
Consumer's Beverage Centers
Deck Brothers, Inc.
Heany Industries, Inc.
Jensen Fittings Corporation
Rich Plan of Utica, Inc.
Robison & Smith, Inc.
TMP Technologies
Tompkins Metal Finishings, Inc.
W. W. Custom Clad

The Members of the Board considered the applications for Power for Jobs for retention purposes submitted on behalf of Baronet Litho of Fulton County; Capital Vial, Inc. of Montgomery County; Consumer's Beverage Centers and Deck Brothers, Inc. of Erie County; Heany Industries, Inc. (Monroe County); Jensen Fittings Corporation (Niagara County); Rich Plan of Utica, Inc. (Oneida County); Robison & Smith, Inc. (Fulton County); TMP Technologies (Erie County); Tompkins Metal Finishings, Inc. and W. W. Custom Clad (Montgomery County), all located in the Niagara Mohawk service territory. These eleven applications are each less than 400 kW demand and have been aggregated for the purpose of qualifying under the small business provisions of the Power for Jobs program.

Baronet Litho - Baronet Litho is a commercial printing company that employs union and non-union personnel. Over the past 6 years, the company has spent money on energy saving upgrades and added efficiency options to its equipment despite a difficult fiscal situation. In 1996, the company negotiated a 10% wage reduction with its union employees yet it continues to struggle with profitability. A Power for Jobs allocation would be critical to the company in helping it stabilize (and possibly grow) its workforce. Historically, Baronet employed 58-62 people. Due to financial strain and the challenges posed by a highly competitive industry, the company has had to reduce its jobs to 52.

Capital Vial, Inc. - Capital Vial manufactures patented vials for dairy sampling and medical devices. It operates a plant in Fultonville, NY and Auburn, AL. If the company cannot obtain a lower electric rate in New York, it will relocate its New York operations to Auburn, AL. Forty-seven New York jobs are at risk. Over the next three years, the company plans to add 50 new jobs if it is offered electric rate comparable to Auburn, AL (4 to 4.5 cents/kWh).

Consumer's Beverages, Inc. – Consumer's Beverage is a family owned business. The father, three sons and one daughter are involved in the company. Consumer's was incorporated in 1948. There are 17 locations, of which 15 are exclusively for distribution

purpose, one location is administrative, and one location is a warehouse and manufacturing facility. The company manufactures keg soft drinks and other beverages, distributes beer/soft drinks exclusively in its own outlets through the company's warehouse distribution center. It also supplies soft drinks to over 100 restaurants and eating establishments in Erie and Niagara County. According to Consumer's owners, the cost of electricity is impeding the company's growth and expansion. Electricity is the second most costly expense other than payroll. They indicate that "if this excessive cost continues, the growth and expansion will have to be curtailed. The company presently employs 30 full time employees and 150 part time. The part time employee works no less than 20 hours per week and will be counted two for one. This rule will also apply to the 20 new employees".

Deck Brothers, Inc. - This is a small business application being submitted together with F. P. Pla Tool Manufacturing and Richards Machine Tool. Savings from low cost power are critical to reduce operation costs in order to remain competitive and retain jobs.

Heany Industries - To support increased growth, Heany Industries plans to substantially expand its operations by the end of 1999 adding over \$300,000 in capital equipment and ten jobs.

Jensen Fittings Corporation - Jensen Fittings was started in Toronto in 1957 primarily to service the Canadian Brewery Industry. In 1982, Mike Sullivan and Steve Joy started Jensen Fittings Corporation to complement the Canadian company. Included in the product lines are: food, dairy, pharmaceutical and semi-conductor products, stainless steel fittings, skid systems, pumps, strainers, gauges and other full line accessories. In 1997 the company opened a manufacturing facility in Puerto Rico. The Canadian operation closed January 1998, with intentions to resume in the U.S. pending a reduction in utility costs. Otherwise, the company plans on moving the process to Puerto Rico where there are lower utility and tax structure costs. Jensen feels that the growth and expansion relies on cost cutting programs such as Power for Jobs which will reduce internal overhead and improve efficiency.

Rich Plan of Utica, Inc. - Rich is a meat processor and packager of frozen foods which are delivered to homes. The company was established in 1953 and is owned by R. Bruce Evans. Mr. Evans indicates that the company is at risk of closing and 50 jobs would be lost.

Robison & Smith - Robison and Smith is one of the largest laundry, linen and dry-cleaning service companies in the Northeast. The major portion of the business is providing laundry and linen service to health care facilities. The company has 5 competitors in New York State: Coyne Textile – Syracuse; Atlas Capital Health Care – Rensselaer; Angelica Health Care – Ballston Spa; FDR Services - Long Island; Oceanside Laundry – Long Island) as well as competitors from Vermont, Massachusetts and Connecticut. Because of the price sensitive nature of the business, Robison and Smith is seriously considering two options in order to cut costs: relocation to a neighboring New England state or building its own co-generation facility. A Power for Jobs allocation would help reduce costs, enabling the

company to stay in New York and to avoid the expense associated with a co-generation facility.

Robison and Smith is aggregating its load with Baronet Litho in order to comply with the Power for Jobs program's minimum 400 kW requirement.

TMP Technologies Inc. - TMP Technologies is a maker of foam, rubber and plastic products for various markets, including business, medical and consumer. It operates two locations: Buffalo and Wyoming. The company is growing at a very rapid pace--17% over the last five years. TMP expects this growth to continue, increasing its electricity usage by 25%. In order to meet its growing demand and remain competitive, TMP needs to reduce its electricity costs, which accounts for a combined 9.99% of its operations costs. The company seeks to keep its 163 current jobs in New York State and hopes to add to that number 65 new jobs over the next three years. It has researched relocating and is particularly interested in the state of Wyoming, which offers electricity rates that are 43% lower than NIMO's, lower taxes and lower employment rates. The company is requesting a Power for Jobs allocation at both of its sites.

Tompkins Metal Finishing, Inc. - Tompkins Metal began in 1993 as a single metal finishing line (anodizing) with approximately 20 people. It expanded to three metal finishing lines which includes electroless nickel and chromate conversion coatings with employment of 80 people. Mr. Allen Tompkins is the sole owner who indicates he needs more space to install the metal finishing lines which he is planning to install in 1998 and that the business has grown substantially with the present lines consequently more capacity is required. Mr. Tomkins further indicates that the business expansion simply makes no economic sense in an area that has electric rates as high as the present location of Tompkins. Mr. Tompkins is considering moving to the southern states if the company cannot obtain lower-cost power.

W. W. Custom Clad, Inc. - W. W. Custom Clad, Inc. is an industrial metal finisher for the original equipment manufacturers. In January 1997, it opened a new facility in Rock Hill, SC. The company is at risk of curtailing operations or relocating to Rock Hill, SC. Approximately 23 jobs (1/3 of workforce) in New York are at risk.

The following resolution was unanimously adopted by the members of the Board.

WHEREAS, Baronet Litho of Fulton County; Capital Vial, Inc. of Montgomery County; Consumer's Beverage Centers of Erie County; Deck Brothers, Inc. of Erie County; Heany Industries, Inc. of Monroe County; Jensen Fittings Corporation of Niagara County; Rich Plan of Utica, Inc. of Oneida County; Robison & Smith, Inc. of Fulton County; TMP Technologies of Erie County; Tompkins Metal Finishings, Inc. of Genesee County; and W. W. Custom Clad of Montgomery County have applied for an allocation of Power for Jobs Service for job retention purposes; and

WHEREAS, an allocation of 316 kW would result in a ratio of 165 jobs per MW for Baronet Litho; an allocation of 375 kW would result in a ratio of

259 jobs per MW for Capital Vial, Inc.; an allocation of 220 MW would result in a ratio of 268 jobs per MW for Consumer's Beverages, Inc.; an allocation of 179 kW would result in a ratio of 318 jobs per MW for Deck Brothers, Inc.; an allocation of 334 kW would result in a ratio of 234 jobs per MW for Heany Industries; an allocation of 359 kW would result in a ratio of 682 jobs per MW for Jensen Fittings Corporation; an allocation of 200 kW would result in a ratio of 305 jobs per MW for Rich Plan of Utica, Inc.; an allocation of 384 kW would result in a ratio of 391 jobs per MW for Robison & Smith, Inc.; an allocation of 280 kW would result in a ratio of 193 jobs per MW for TMP Technologies, Inc.; an allocation of 400 kW would result in a ratio of 315 jobs per MW for Tompkins Metal Finishing, Inc.; and an allocation of 300 kW would result in a ratio of 253 jobs per MW for W. W. Custom Clad, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the eleven allocations discussed herein of totaling 3,347 kW for Niagara Mohawk's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicants to maintain a total of 1,105 jobs;**
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

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7. **Antech Diagnostics**
Enzo Clinical Labs, Inc.
Flagpoles, Inc.
Gasser & Sons, Inc.
Multimatic Products, Inc.
Orbit International Corporation
W. & H. Stamping, Inc.

The Members of the Board considered the applications for Power for Jobs for retention purposes submitted on behalf of Antech Diagnostics; Enzo Clinical Labs, Inc.; Flagpoles, Inc.; Gasser & Sons, Inc.; Multimatic Products, Inc.; Orbit International Corporation; and W. & H. Stamping, Inc. in the Long Island Lighting Company's service territory. These seven applications are each less than 400 kW demand and have been aggregated for the purpose of qualifying under the small business provisions of the Power for Jobs program.

Antech Diagnostics - Vet Research Labs was previously owned by two local Long Island residents. On January 1, 1997 the company was sold to Vets Center of America ("VCA"), located in Santa Monica, CA. VCA owns 15 laboratories across the nation. Antech is a veterinary diagnostic laboratory located on Long Island and has been in business for 20 years servicing the entire eastern region of the U.S. from Detroit to Maine to Florida. The company provides diagnostic results to various veterinary practices on the East Coast. Antech utilizes power 24 hrs./day, 7 days/wk. This industry is very price competitive and any reduction in operation costs will allow the company to be more competitive and thereby to grow and add staff. Currently there is a division in Atlanta, GA. and the company is considering relocating if the utility and lease costs increase.

Enzo Clinical Labs, Inc. - Enzo Clinical Labs, Inc. is a wholly owned subsidiary of Enzo Biochem, Inc., the parent company. Enzo is a clinical reference laboratory which offers full diagnostic services to the New York medical community. The services provided include chemistry, blood tests, cytology studies and diagnostic procedures which seek to detect pre-cancerous conditions. Enzo provides these services primarily to physicians, nursing homes and clinics.

Flagpoles, Inc. - FlagPoles Inc. was founded in 1969, largely for sales, service and installation of flagpoles. Today 85% of the company's business is in the sale and repair of lighting standards and in ground support equipment for the US government. The company is seeking Power for Jobs to maintain and grow job levels at its two locations. The company states that the power will help it to improve competitiveness increase market share and continue to expand its workforce in New York State.

Gasser & Sons, Inc. - Gasser was founded in 1916 by John Gasser, a metal spinner, and was incorporated in 1927. In the 1950s, as the quantity of parts ordered increased, the company converted to deep drawing and stamping. Deep drawing is a technology that produces parts often considered beyond the limits of ordinary stamping techniques. Gasser moved to its present location in 1968, and is planning an expansion in the next 12 to 24 months.

Multimatic Products, Inc. - Multimatic Products, Inc. is a family-owned metal and plastic jobbing manufacturer that uses state-of-the-art CNC manufacturing equipment. An allocation of Power for Jobs power will increase the company's employment level and competitiveness and allow it to purchase additional production equipment.

Orbit International, Corporation - Orbit International manufactures electronic components that are used in commercial and military applications. High electric costs put it at a cost disadvantage with out-of-state competitors. Orbit is requesting an allocation as an effective way to reduce operating costs.

W. & H. Stamping, Inc. - W.& H. has serviced industry for 42 years with precision metal stampings and fine-edge blanking of up to 250 ton capacity. It has also been a prime supplier to prime ordnance plants with more than 50 different types of fuses, small caliber weapons and more than 1,000 different, made-to-order, precision stampings in various materials. W. & H. is completely self-sufficient in performing in-house designing, building and the maintenance of its tooling. W. & H. indicates that it does receive offers from out-of-state to relocate in Vermont, Iowa and the Carolinas for attractive tax and utility rates plus employee sponsored training programs.

The following resolution was unanimously adopted by the members of the Board.

WHEREAS, Antech Diagnostics; Enzo Clinical Labs, Inc.; Flagpoles, Inc.; Gasser & Sons, Inc.; Multimatic Products, Inc.; Orbit International Corporation; and W. & H. Stamping, Inc. all of Suffolk County have applied for an allocation of Power for Jobs Service for job retention purposes; and

WHEREAS, an allocation of 200 kW would result in a ratio of 2,050 jobs per MW for Antech Diagnostics; an allocation of 200 kW would result in a ratio of 1,070 jobs per MW for Enzo Clinical Labs, Inc.; an allocation of 199 kW would result in a ratio of 427 jobs per MW for Flagpole, Inc.; an allocation of 360 kW would result in a ratio of 419 jobs per MW for Gasser & Sons, Inc.; an allocation of 90 kW would result in a ratio of 767 jobs per MW for Multimatic Products, Inc.; an allocation of 292 kW would result in a ratio of 445 jobs per MW for Orbit International Corporation; and an allocation of 350 kW would result in a ratio of 129 jobs per MW for W. & H. Stamping, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the seven allocations discussed herein of totaling 1,691 kW for Long Island Lighting Company's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicants to maintain a total of 1,104 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

March 30, 1998

8. **Manhattan Poly Bag Corporation**
Reliable Poly Packaging

The Members of the Board present considered the application for Power for Jobs for retention purposes submitted on behalf of Manhattan Poly Bag Corporation and Reliable Poly Packaging in the Consolidated Edison service territory. These two applications are each less than 400 kW demand and have been aggregated for the purpose of qualifying under the small business provisions of the Power for Jobs program.

Manhattan Poly Bag Corporation - Founded in 1969, the Manhattan Poly Bag Corporation is a printer and converter of polyethylene and polypropylene films. The company competes with out-of-state companies that enjoy substantially lower electrical costs. If the company cannot reduce its overhead expenses, it will be compelled to begin laying off employees.

Reliable Poly Packaging - Reliable Poly Packaging Co. Inc. is a printer and converter of all types of polyethylene bags. An allocation of Power for Jobs power will allow Reliable to invest in a new printing press which will increase the company's business volume.

The following resolution was unanimously adopted by the members of the Board:

WHEREAS, Manhattan Poly Bag Corporation and Reliable Poly Packaging of Kings County have applied for an allocation of Power for Jobs Service for job retention purposes; and

WHEREAS, an allocation of 250 kW would result in a ratio of 164 jobs per MW for Manhattan Poly Bag Corporation; and an allocation of 300 kW would result in a ratio of 333 jobs per MW for Reliable Poly Packaging;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the two allocations discussed herein of totaling 550 kW for Consolidated Edison's service territory for three years, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicants to maintain a total of 141 jobs;

- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

March 30, 1998

**9. Informational Item – Power for Jobs – Status of
Approved Applications and Summary of Action on Applications**

March 30, 1998

10. Next Meeting

It was agreed that the next meeting of the Board would be held on April 28th at the Power Authority's New York City Office, at 10:00 a.m., 1633 Broadway, 22nd Floor, Board Room.

Closing Remarks of Chairman Clarence D. Rappleyea – The Chairman stated that the applications approved today provide a good geographic spread, excellent job creation numbers, and an outstanding job/MW impact with a total of: 3,413 jobs for 8.464 MW's, and 403jobs/MW, – still four times the 100 jobs/MW benchmark

The Chairman further noted that interest in the program continues to grow. Over 2,200 inquiries and more than 700 applications have been sent out. To date, more than 250 applications have been received. Those applications request nearly 535 MW of power -- 400 MW more than is available under the program for this, the first year. Business applications alone already total more than 400 MW -- which is the size of the full three-year program.

Not-for-profit and small business applications total more than 120 MW -- well over the 75MW's set aside for the total three years. While the number of actual applications from small businesses and not-for-profits is about the same (each around 50), the total MW request from not-for-profits is 109 MW, while the small business total is only 11MW.

As a result of the high jobs/MW ratio, the program continues to exceed expectations. It was originally estimated that we could affect 40,000 jobs -- over the full three-year term of the program. Only four months into the process Power for Jobs is protecting more than 34,000 jobs.

With this latest round of recommendations, the number of jobs created has reached 1,300.

Including this round of recommended allocations, the Board has acted on nearly 77 MW's of the 133.3 MW available in the first year. So, although only one-quarter of the first year of the program has elapsed, more than that percentage of total power available has already been allocated.

Of the completed regular business applications on hand: 43% of the MW's requested are from the NIMO service area. Yet, only 21% of the allocations are targeted by statute to the NIMO area. In contrast, only 5% of the MW's requested by regular businesses are from the Con Ed territory. 41% of the total allocation is targeted by statute to the Con Ed region. Nevertheless, the total MW's requested in the Consolidated Edison area, including not for profit/small business, exceed the total first year amount of MW's for Consolidated Edison overall. So, we have a situation in which the business demand in the NIMO territory is 7 times larger than its allocation. While in the Con Ed region, demand is equal to its

allocation, and in the O&R and Central Hudson regions customer bill savings are lower than in the other areas. For all intents and purposes, we have reached the annual allocation levels (except for the not-for-profit/small business set aside) in the Niagara Mohawk, New York State Electric & Gas, Rochester Gas & Electric and Long Island Lighting Company service territories.

As we have discussed, EDPAB is authorized by the "Power for Jobs" statute to re-allocate, which provides as follows:

[T]he board may recommend an allocation which exceeds any proportional distribution if it determines that such an allocation would advance the public policy set forth in this section to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State.

At the Board's January meeting, the Board members discussed this issue. The consensus at that time was to wait another 60 days for applications from the utility service territories where there had been less activity. The 60 days have now passed. There still appears to be a serious imbalance of demand over capacity in certain regions. Thus the Board members directed the staff to now review applications that may deserve recommendation, without respect to the allocation limits of each service territory.

The Chairman requested that a memorandum from EDPAB to the legislative leaders be drafted to show EDPAB's support for Power for Jobs and expansion of program.

After further discussion, the Board members requested to see recommendations at the April meeting for allocations to not for profit organizations and to businesses regardless of Gross Receipts Tax based geographic limitations.

The meeting was adjourned at 10:40 a.m.