

**MINUTES OF THE REGULAR MEETING OF THE
POWER AUTHORITY OF THE STATE OF NEW YORK**

October 30, 2007

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Minutes of the Regular Meeting of the Power Authority of the State of New York held at the Clarence D. Rappleyea Building at 11:00 a.m.:

The following Members of the Board were present at the following locations:

Frank S. McCullough, Jr., Chairman
Michael J. Townsend, Vice Chairman
D. Patrick Curley, Trustee
James A. Besh, Sr. Trustee
Robert E. Moses, Trustee
Thomas W. Scozzafava, Trustee

Elise M. Cusack, Trustee – Excused

Roger B. Kelley	President and Chief Executive Officer
Thomas J. Kelly	Executive Vice President, General Counsel and Chief of Staff
Joseph Del Sindaco	Executive Vice President and Chief Financial Officer
Gil C. Quiniones	Executive Vice President – Energy Marketing and Corporate Affairs
Vincent C. Vesce	Executive Vice President – Corporate Services and Administration
Steven J. DeCarlo	Senior Vice President – Transmission
Angelo S. Esposito	Senior Vice President – Energy Services and Technology
William J. Nadeau	Senior Vice President – Energy Resource Management and Strategic Planning
Brian Vattimo	Senior Vice President – Public and Governmental Affairs
Edward A. Welz	Senior Vice President and Chief Engineer – Power Generation
James H. Yates	Senior Vice President – Marketing and Economic Development
Thomas P. Antenucci	Vice President – Project Management
Arnold M. Bellis	Vice President, Controller
John M. Hoff	Vice President – Procurement and Real Estate
Donald A. Russak	Vice President – Finance
William V. Slade	Vice President – Environmental, Health and Safety
Thomas Warmath	Vice President and Chief Risk Officer
Daniel Wiese	Inspector General and Vice President – Corporate Security
Brian C. McElroy	Treasurer – Corporate Finance
Anne B. Cahill	Corporate Secretary
Angela D. Graves	Deputy Corporate Secretary
Dennis T. Eccleston	Chief Information Officer
Arthur T. Cambouris	Assistant General Counsel and Managing Attorney – Litigation
Joseph J. Carline	Assistant General Counsel – Power and Transmission
Paul F. Finnegan	Executive Director – Public and Governmental Affairs
John J. Suloway	Executive Director – Licensing, Implementation and Compliance
Thomas A. Davis	Director – Financial Planning
Joseph Leary	Director – SENY – Public and Governmental Affairs
James F. Pasquale	Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing
Michael A. Saltzman	Director – Media Relations – Public and Governmental Affairs
Denise D’Ambrosio	Principal Attorney I – Finance and Risk Management
Marilyn J. Brown	Manager – Market Pricing Analysis
Caroline G. Garcia	Manager – Power Contracts
Lesly Y. Pardo	Manager – Internal Audit
Mary Jean Frank	Associate Corporate Secretary
Lorna M. Johnson	Assistant Corporate Secretary

Chairman McCullough presided over the meeting. Corporate Secretary Cahill kept the Minutes.

Introduction

Chairman Frank McCullough welcomed newly confirmed Trustee D. Patrick Curley of Orchard Park to the Board. By way of background, Chairman McCullough stated that Trustee Curley comes to the Authority's Board with significant experience and noted that Trustee Curley is the President of St. Lawrence Business Consultants Ltd., a financial consulting firm that he founded in 1977, where one of his specialties is economic development. Prior to that, Trustee Curley had served as an Assistant Vice President for Finance at a Fortune 100 company and as a corporate loan officer at Marine Midland Bank, now HSBC. Trustee Curley served three terms on the Orchard Park Town Board from 1980 to 1991. He currently chairs the Board of Trustees of Erie County Central Police Services, an administrative criminal justice agency, and has been a member of the Orchard Park Fire Company for nearly 40 years. Chairman McCullough said that he is glad to have Trustee Curley as a member of the Authority's Board of Trustees. Trustee Curley thanked Chairman McCullough for the warm welcome.

1. **Approval of the Minutes**

The Minutes of the Regular Meeting of September 25, 2007 were unanimously adopted.

2. **Financial Reports for the Nine Months Ended September 30, 2007**

Mr. Bellis presented an overview of the reports for the Trustees.

NEW YORK POWER AUTHORITY
FINANCIAL REPORTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

Financial Reports Table of Contents

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**NEW YORK POWER AUTHORITY
FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**

(\$ in millions)

<u>Financial Summary</u>	<u>2007 YTD</u>		<u>September 2007</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Net operating revenues	\$216.6	\$189.8	32.2	\$18.4
Net revenues (loss)	205.4	145.1	31.1	12.0
O&M (incl. administrative)	198.1	206.6	20.8	22.7
Generation (gwh's)	20,159	19,930	2,056	1,954
		<u>Prior</u>	<u>December</u>	
	<u>Current</u>	<u>Month</u>	<u>2006</u>	
Reserves	\$366	\$366	\$348	

Net revenues through September 30, 2007 were \$205.4 which was \$60.3 higher than budgeted including higher non-operating income (\$33.5) and higher net operating revenues (\$26.8). Non-operating income included higher earnings on investments due to higher balances, a mark-to-market gain on the Authority's investment portfolio, and lower than anticipated costs on variable rate debt. Higher net operating revenues at Blenheim-Gilboa (\$11.5), the hydro facilities (\$9.4), and the SCPP'S (\$8.7) were due mainly to a higher volume of market-based sales and higher prices for capacity. The favorable variance at the transmission facilities (\$7.5) was due primarily to higher than anticipated congestion payments to the Authority due to a higher level of congestion across the central-east interface (assigned to FACTS project TCC's). These positives were partially offset by a negative variance at Flynn (\$10.0) due in part to the repair of the generator rotor and advance maintenance work related to the planned fall outage.

Net revenues for the month of September were \$31.1 which was \$19.1 higher than anticipated resulting from higher net operating revenues (\$13.8) and higher non-operating income (\$5.3). Net operating revenues included higher than anticipated market-based sales at the SCPP's and Blenheim-Gilboa, and higher transmission revenues. In addition, O&M (primarily headquarters) was lower than expected for the month. Non-operating income included a mark-to-market gain on the Authority's investment portfolio, higher investment earnings, and lower costs on variable rate debt. Production for September (2,056 gwh) was 5% higher than anticipated (1,954 gwh) including higher generation at the fossil facilities (188 gwh) partially offset by lower hydro production (86 gwh). Cash generated by operations during the month (\$37.0) was offset by additions to other reserves.

NYPA
Net Revenues
For The Nine Months ended September 30, 2007
(\$ in 000'S)

	<u>Annual Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues				
Customer	\$1,826,711	\$1,410,657	\$1,384,230	\$26,427
Market-Based Power Sales	737,570	700,471	584,508	115,963
Ancillary Services	67,499	40,842	48,436	(7,594)
NTAC and Other	81,763	65,270	63,071	2,199
Total Market-Based and ISO	<u>886,832</u>	<u>806,583</u>	<u>696,015</u>	<u>110,568</u>
	2,713,543	2,217,240	2,080,245	136,995
Operating Expenses				
Purchased Power:				
Entergy	155,370	116,414	115,433	(981)
Other	809,217	709,451	630,429	(79,022)
Ancillary Services	73,733	73,518	55,388	(18,130)
Fuel Consumed - Oil & Gas	519,480	421,837	400,283	(21,554)
Wheeling	325,869	249,534	249,981	447
Operations & Maintenance	281,152	198,108	206,609	8,501
Other expenses	142,609	104,945	106,955	2,010
Depreciation & Amortization	176,451	132,167	131,907	(260)
Allocation to Capital	(12,681)	(5,286)	(6,501)	(1,215)
	<u>2,471,200</u>	<u>2,000,688</u>	<u>1,890,484</u>	<u>(110,204)</u>
Net Operating Revenues	242,343	216,552	189,761	26,791
Interest Income and Realized Gains	56,743	60,691	42,430	18,261
Mark to Market Adjustment	1,000	6,419	1,000	5,419
Investment Income	<u>57,743</u>	<u>67,110</u>	<u>43,430</u>	<u>23,680</u>
Interest and Other Expenses	<u>124,192</u>	<u>78,236</u>	<u>88,113</u>	<u>9,877</u>
Net Revenues	<u><u>175,894</u></u>	<u><u>205,426</u></u>	<u><u>145,078</u></u>	<u><u>60,348</u></u>

New York Power Authority
Net Revenues by Facility
For the Nine Months ended September 30, 2007
(\$ in 000's)

	<u>Niagara/ St. Lawrence</u>	<u>B-G</u>	<u>SENY</u>	<u>SCPP</u>	<u>Market Supply Power</u>	<u>Flynn</u>	<u>Transmission</u>	<u>Eliminations & Adjmts</u>	<u>Total</u>
Operating Revenues									
Customer	\$ 254,133	\$ 6,041	\$ 862,618	\$ 1,656	\$ 175,104	\$ 68,617	\$ 66,214	\$ (23,726)	\$ 1,410,657
Market-Based Power Sales	118,392	77,279	432,694	114,202	34,974			(77,070)	700,471
Ancillary Services	34,585	2,148	3,759	614				(264)	40,842
NTAC and Other							65,270		65,270
Total Market-Based and ISO	152,977	79,427	436,453	114,816	34,974	-	65,270	(77,334)	806,583
	407,110	85,468	1,299,071	116,472	210,078	68,617	131,484	(101,060)	2,217,240
Operating Expenses									
Purchased Power:									
Entergy			116,414						116,414
Other	79,753	47,141	481,942	6,516	199,197		33	(105,131)	709,451
Ancillary Services	23,872	265	40,869	138	8,374				73,518
Fuel Consumed - Oil & Gas			316,863	58,975		45,999			421,837
Wheeling	7,768		233,320		8,065	381			249,534
Operations & Maintenance	69,923	19,111	38,712	10,603	1,054	11,652	47,053		198,108
Other expenses	19,055	2,002	12,176	1,134	37,870	641	8,599	23,468	104,945
Depreciation & Amortization	26,874	5,024	44,201	21,180	654	3,962	30,272		132,167
Allocation to Capital	(2,277)	(640)	(895)	(23)		(175)	(1,276)		(5,286)
	224,968	72,903	1,283,602	98,523	255,214	62,460	84,681	(81,663)	2,000,688
Net Operating Revenues	182,142	12,565	15,469	17,949	(45,136)	6,157	46,803	(19,397)	216,552
Investment and Other Income	2		6,131			7	208	60,762	67,110
Interest and Other Expenses	(16,849)	1,006	(25,097)	(18)	(36)	(1,930)	(20,342)	(14,970)	(78,236)
Net Revenues (loss)	165,295	13,571	(3,497) *	17,931	(45,172)	4,234	26,669	26,395	205,426
Budget	153,732	1,548	(9,401)	9,231	(44,582)	14,236	17,860	2,454	145,078
Variance	\$ 11,563	\$ 12,023	\$ 5,904	\$ 8,700	\$ (590)	\$ (10,002)	\$ 8,809	\$ 23,941	\$ 60,348

* Revenues for SENY include \$14.3 million from the application of an energy charge adjustment to recover variable costs under the LT Supplemental Energy Supply Agreement.

NEW YORK POWER AUTHORITY
VARIANCE FROM BUDGET
MAJOR FACTORS
For the Nine Months Ended September 30, 2007
(Millions)

		Better/(Worse) than budget	
Niagara/St. Lawrence	o Higher revenues (including higher volume of market-based sales)	\$ 27.9	
	o Higher purchased power costs (primarily higher congestion)	(11.8)	
	o Higher ancillary service costs (residual adjustments)	(8.7)	
	o Lower St. Lawrence site O&M (lower than anticipated maintenance costs)	1.8	
	o Other (lower interest costs)	2.4	
			\$11.6
Blenheim-Gilboa	o Higher market-based revenues (higher volumes)	14.6	
	o Higher purchased power costs (higher volumes)	(3.4)	
	o Other	0.8	12.0
SENY	o Higher customer revenues (higher than anticipated ECA revenue)	23.3	
	o Higher market-based sales (higher volumes)	61.2	
	o Higher purchased power costs (higher volumes & prices)	(60.0)	
	o Higher ancillary service costs (residual adjustments)	(7.2)	
	o Higher fuel costs (higher prices & higher generation)	(24.0)	
	o Lower Poletti site O&M (scheduled maintenance outage delayed)	2.3	
	o Lower allocated administrative expenses	1.2	
	o Other (includes lower interest costs)	9.1	5.9
SCPP	o Higher revenues (primarily higher volumes on market-based sales)	31.9	
	o Higher purchased power costs (higher volumes & prices)	(4.6)	
	o Higher fuel costs (primarily higher generation)	(17.7)	
	o Other	(0.9)	8.7
Market Supply Power	o Higher revenues (primarily a higher volume of market-bases sales)	10.2	
	o Higher purchased power costs (higher volumes)	(8.7)	
	o Higher ancillary service costs (residual adjustments)	(1.8)	
	o Other	(0.3)	(0.6)
Flynn	o Lower revenues	(25.1)	
	o Lower fuel costs (primarily lower generation - rotor failure)	20.1	
	o Higher site O&M (rotor repair & advance outage spending)	(5.5)	
	o Other	0.5	(10.0)
Transmission	o Higher revenues (including TCC revenues for the FACTS project)	3.9	
	o Lower allocated administrative expenses	2.4	
	o Other (includes lower interest costs)	2.5	8.8
Consolidating adjustments (primarily higher earnings on investments)			23.9
Net Revenues			\$ 60.3

NYPA
Operations & Maintenance
For the Nine Months Ended September 30, 2007

	(\$'s in millions)	
	<u>Actual</u>	<u>Budget</u>
Power Generation		
Headquarters Support	\$8.2	\$6.9
Blenheim-Gilboa	10.2	11.6
Charles Poletti	12.4	14.7
500 MW	9.4	8.1
R.M. Flynn	9.6	4.1
SCPP	9.7	10.3
Small Hydros	2.5	3.2
Niagara	28.2	28.4
St. Lawrence	<u>12.2</u>	<u>14.0</u>
	102.4	101.3
Transmission		
ECC/Headquarters	6.8	7.4
Transmission Facilities	<u>28.2</u>	<u>28.3</u>
	35.0	35.7
Corporate Support		
Executive Office	8.6	8.7
Business Services	23.2	24.9
HR & Corporate Support	17.4	20.3
Marketing & Econ. Devel.	4.4	4.9
Energy Services	<u>2.6</u>	<u>3.0</u>
	56.2	61.8
Research & Development & Other	4.5	7.8
Total	<u>\$198.1</u>	<u>\$206.6</u>

Through August, O&M expenses were \$8.5 million under budget. Underruns at HQ Corporate Support departments, R&D, and the Transmission facilities were partially offset by higher Power Generation spending.

HQ Corporate Support expenses were under budget by \$5.6 million mostly due to under spending for the public awareness program, HQ communications, and IT contract services. R&D was under budget due to a significant delay in procurement of Electric Hybrid school Buses, and a delay in spending for the Phase II of the PHEV Sprinter Van Project. Transmission spending was under budget by \$0.9 million primarily due to less than expected contractor support for right-of-way maintenance and aircraft services, and underruns in non-recurring work associated with the Transformer #10 Failure and the ECC Fire Suppression System.

Power Generation expenditures were \$1.1 million higher than budgeted due primarily to overruns at Flynn (\$5.5) and the 500MW plant (\$1.3). The Flynn overrun was the result of an unscheduled outage for generator rotor damage as well as advancing some maintenance scheduled for the fall planned outage. The 500MW plant reflected greater than anticipated routine maintenance work and outage costs. These negatives were substantially offset by underruns at Poletti, St. Lawrence, and Blenheim-Gilboa. Poletti was under budget by \$2.3 million primarily due to the postponement of the scheduled outage until the fall. St. Lawrence was under budget by \$1.8 million due to less than expected payroll charges for recurring maintenance, and non-recurring consulting charges for the Robert Moses Power Dam Foundation Grouting. The variance at Blenheim-Gilboa included less than expected spending for consulting services related to the Penstock & Tunnel Inspection and the Tainter Gate Review.

**NEW YORK POWER AUTHORITY
COMPARATIVE STATEMENT OF NET ASSETS
(IN THOUSANDS)**

	<u>SEPTEMBER 2007</u>	<u>DECEMBER 2006</u>	<u>NET CHANGE</u>
ASSETS:			
Electric Plant In Service, Less Accumulated Depreciation	\$3,075,446	\$3,078,037	(2,591)
Construction Work In Progress	<u>125,298</u>	<u>163,034</u>	<u>(37,736)</u>
Net Utility Plant	\$3,200,744	\$3,241,071	(40,327)
Restricted Funds	90,656	67,487	23,169
Construction Funds	88,278	105,648	(17,370)
Investment In Decommissioning Trust Fund	959,560	922,778	36,782
Current Assets:			
Cash	72	72	-
Investments In Government Securities	1,061,453	749,988	311,465
Interest Receivable On Investments	18,657	15,114	3,543
Receivables-Customers	192,216	205,471	(13,255)
Materials & Supplies-Plant & General	73,204	66,297	6,907
-Fuel	24,984	32,793	(7,809)
Prepayments And Other	44,164	62,902	(18,738)
Notes Receivable-Nuclear Sale	199,852	192,001	7,851
Deferred Charges And Other Assets	<u>478,604</u>	<u>497,301</u>	<u>(18,697)</u>
TOTAL ASSETS	<u>\$6,432,444</u>	<u>\$6,158,923</u>	<u>\$273,521</u>
LIABILITIES AND OTHER CREDITS:			
Long-Term Debt - Bonds	\$1,712,214	\$1,735,262	(23,048)
Notes	150,000	156,145	(6,145)
Short-Term Notes Payable	279,103	272,282	6,821
Accounts Payable And Accrued Liabilities	694,205	636,683	57,522
Spent Nuclear Fuel Disposal	209,253	201,575	7,678
Decommissioning Of Nuclear Plants	959,560	922,778	36,782
Deferred Revenue	<u>189,064</u>	<u>200,706</u>	<u>(11,642)</u>
TOTAL LIABILITIES AND OTHER CREDITS	4,193,399	4,125,431	67,968
ACCUMULATED NET REVENUES-JANUARY 1	2,033,619	1,896,548	137,071
NET REVENUES	<u>205,426</u>	<u>136,944</u>	<u>68,482</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$6,432,444</u>	<u>\$6,158,923</u>	<u>\$273,521</u>

**NYPA
SUMMARY OF NET GENERATION (MWH'S)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**

Facility	Year-to-date September				Month of September 2007			
	Actual	Budget	Variance (Actual vs Budget)	% Variance from Budget	Actual	Budget	Variance (Actual vs Budget)	% Variance from Budget
<i>Niagara</i>	9,855,447	9,900,000	(44,553)	-0.45%	909,300	960,000	(50,700)	-5.28%
<i>St. Lawrence</i>	5,155,797	5,050,000	105,797	2.09%	511,789	560,000	(48,211)	-8.61%
<i>Combined</i>	15,011,244	14,950,000	61,244	0.41%	1,421,089	1,520,000	(98,911)	-6.51%
<i>Poletti</i>	1,616,835 (2)	1,358,999	257,836	18.97%	163,343	65,547	97,796	149.20%
<i>500MW</i>	2,411,987	2,391,112	20,875	0.87%	289,657	248,877	40,780	16.39%
<i>SCPP</i>	662,093	467,635	194,458	41.58%	88,778	38,321	50,457	131.67%
<i>Blenheim Gilboa</i>	(285,454)	(301,510)	16,056	-5.33%	(12,458)	(30,611)	18,153	-59.30%
<i>Small Hydro</i>	112,370	137,128	(24,758)	-18.05%	4,912	10,067	(5,155)	-51.21%
<i>R. M. Flynn</i>	630,410 (1)	927,099	(296,689)	-32.00%	100,654	102,151	(1,497)	-1.47%
<i>Total</i>	<u>20,159,485</u>	<u>19,930,463</u>	<u>229,022</u>	1.15%	<u>2,055,975</u>	<u>1,954,352</u>	<u>101,623</u>	5.20%

(1) *Unscheduled outage March 12 to June 6, 2007. A portion of work planned to be completed during the scheduled Fall 2007 outage was accelerated into this outage.*

(2) *A major maintenance outage was rescheduled from April 2007 to the Fall of 2007. A portion of work was completed during a smaller outage from April 17 to May 7, 2007.*

NYPA
Capital Expenditures
For the Nine Months Ended September 30, 2007

(\$'s in millions)

	<u>Actual</u>	<u>Budget</u>
New Generation	\$1.2	\$1.4
Energy Services	97.0	71.9
Existing Facilities	47.3	68.1
Transmission	15.3	22.9
Headquarters	20.4	23.6
General Plant and Minor Additions	<u>8.9</u>	<u>11.7</u>
	<u>\$190.1</u>	<u>\$199.6</u>

Capital expenditures for 2007 were 4.8% lower than the budget. **Existing Facilities** were under running the budget by \$20.8 million due to timing differences on the procurement of various equipment for the St. Lawrence LEM and consultant costs for the New License and Comprehensive Settlement Agreement projects. Also, the Niagara Unit 4 Standardization and Generator Stator Rewind Project have been postponed until the generator rewind failures are addressed. The underrun in **Transmission** of \$7.6 million was primarily due to timing differences on the procurement of equipment for the Static Var Compensator and Tri Lakes Reliability Project. Additionally, the Relay Replacement Program has been delayed to coordinate the installation with other planned projects. These underruns were substantially offset by **Energy Services** overruns of \$25.1 million primarily due to unbudgeted expenditures related to the Peak Load Management and the NYC Housing Authority Hot Water Tanks Program. In addition, accelerated construction activity at the Monroe County Landfill Gas Project, Nassau County EMS facility and SUNY Brockport Harrison Hall contributed to this overrun.

Under the Expenditure Authorization Procedure, the President has authorized new expenditures on budgeted capital projects of \$6.2 million for 2007. There were no new expenditures this month.

**Demand Side Management
Cost Summary (Inception to Date)
September 30, 2007
(\$ in 000's)**

(A) DSM Projects

Authorized	Program	Prog	(A) Projects In-Progress	(B) Completed Projects	(C) Cumulative Cost	(D) Recoveries to Date	(E) Net Investment (C-D)
\$183,050	Electrotechnologies LTEPA	ES-EPN	10,075	74,534	84,609	49,846	34,763
433,000	NYPA Energy Services Program	ES-ESN	76,222	109,049	185,271	56,161	129,110
530,000	SENY Govt Cust Energy Serv	ES-GSN	76,880	11,695	88,575	31,068	57,507
130,000	SENY HELP LTEPA	ES-LTN	12,059	75,667	87,726	62,010	25,716
1,200	MUNI Vehicle Program	ES-MVN		458	458	311	147
140,000	Non-Elect End Use LTEPA	ES-NEN	32,864	57,634	90,498	52,000	38,498
35,000	Peak Load Mgmt	ES-PLN	6,725	165	6,890		6,890
Completed Programs							
5,000	Coal Conversion LTEPA	ES-CCN		5,000	5,000	3,466	1,534
5,000	County & Muni's	ES-CMN		1,919	1,919	1,911	8
13,000	Distributed Generation	ES-DGN		\$1,440	\$1,787	\$373	\$1,414
14,600	Industrial	ES-IPN		6,875	6,875	6,875	0
51,000	LI HELP	ES-LIN		47,505	47,505	47,220	285
15,000	SENY New Constr	ES-NCN		2,992	2,992	2,992	0
75,000	Public Housing LTEPA	ES-PHN		72,081	72,081	72,081	0
40,000	Public Schools	ES-PSN		38,941	38,941	38,873	68
130,000	SENY HELP	ES-SEN		134,305	134,305	134,305	0
60,000	Statewide	ES-SWN		56,733	56,733	55,503	1,230
4,085	Other			746	746	746	0
7,500	Wattbusters			5,441	5,441	5,441	0
<u>\$1,872,435</u>			<u>\$214,825</u>	<u>\$703,180</u>	<u>\$918,352</u>	<u>\$621,182</u>	<u>\$297,170</u>

(B) POCR Funding

LOANS

Authorized	Program	Loans Issued	Repayments	Outstanding Balance
\$ 16,390	Colleges & Universities	\$ 16,390	\$ 16,142 (1)	\$ 248

GRANTS

Authorized	Program	Issued
\$9,105	Coal Conversion Pilot	\$9,105
4,558	Hybrid Bus Program	4,558
663	Solar Grants	663
3,000	NYSERDA	3,000
25,768 (1)	Energy Services Programs	15,878
31,199 (1)	POCR Grants	13,420
<u>\$ 74,293</u>		<u>\$ 46,624</u>

(C) CASP Funding

Authorized	Program	Issued
\$133,110 (2)	Coal Conversion	\$118,819

(D) Board of Ed Funding

Authorized	Program	Issued
\$39,010 (2)	Climate Controls (NYC BOE)	\$35,077

(E) NYC Housing Auth Funding

Authorized	Program	Issued
\$25,708 (2)	NYCHA Hot Water Heaters	\$18,470

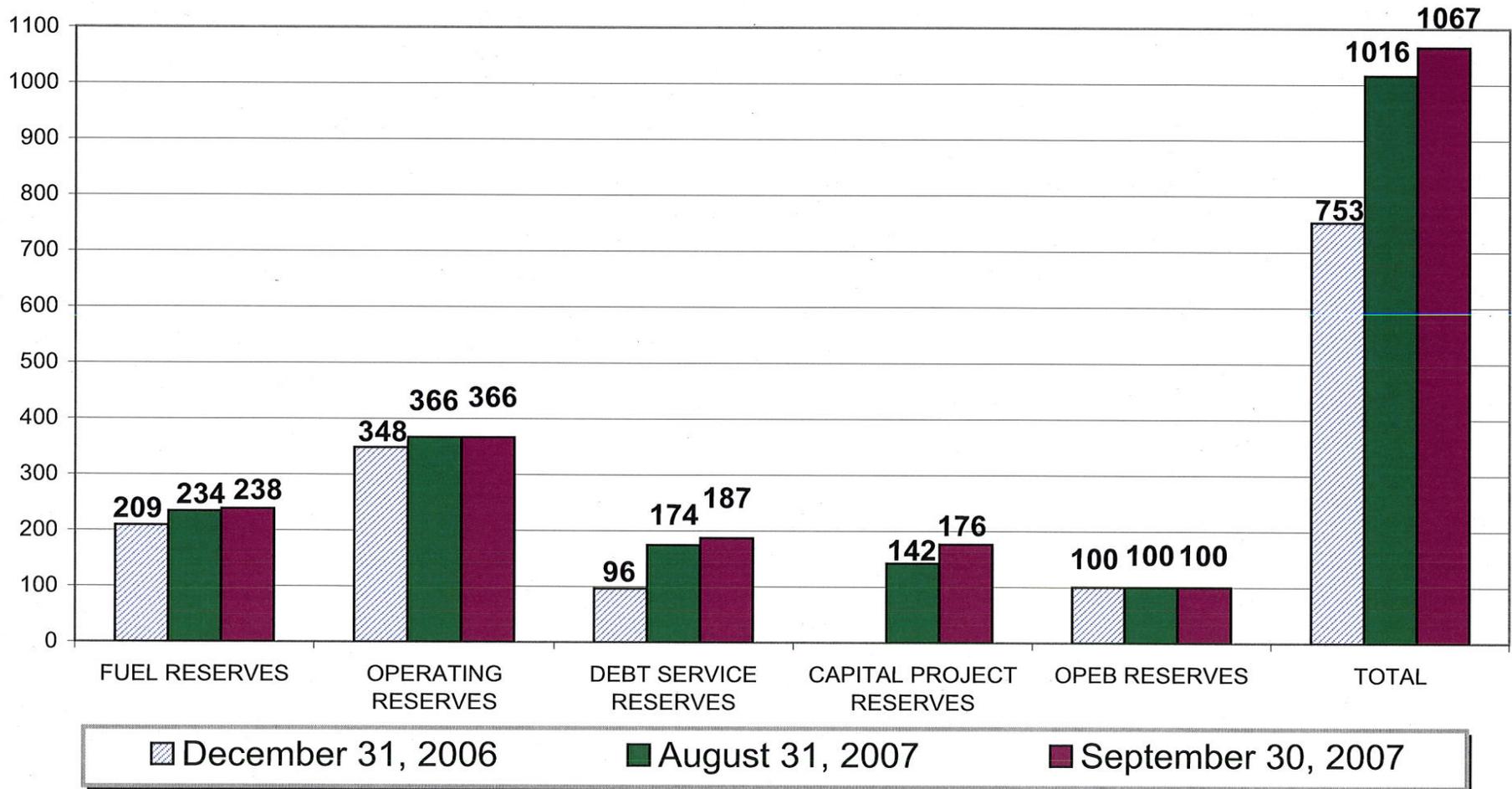
(F) Lower Manhattan Energy Independence Initiative Program

Authorized	Program	Issued
\$25,000 (2)	Lower Manhattan Energy Serv	\$0

(1) Funds recovered via loan repayments are available and assigned to be used as grants in the Energy Services Program and for POGR Grant Program.

(2) Authorized funds reflect both principal received and the interest earned on such principal.

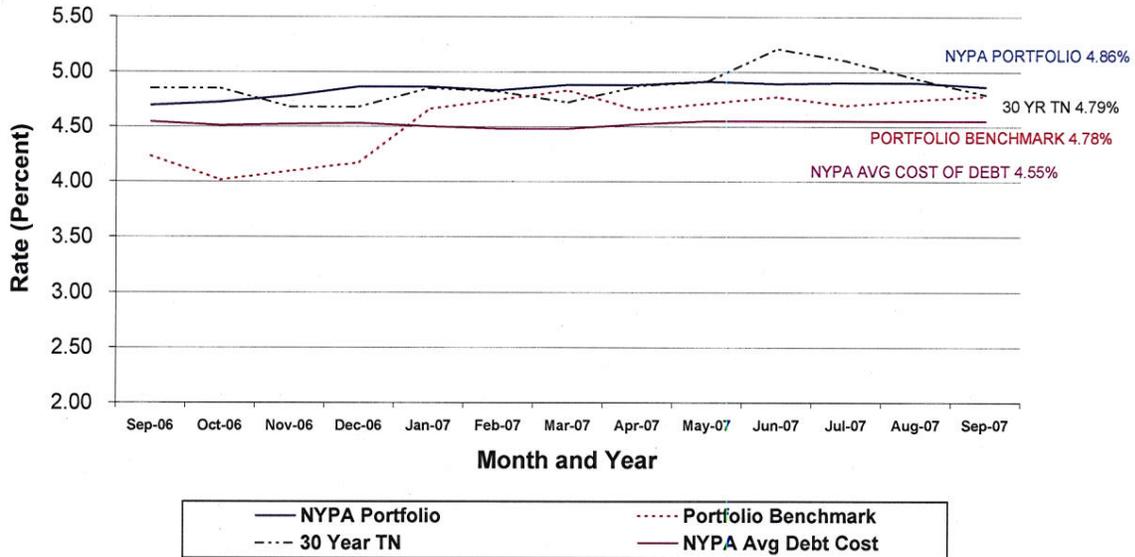
**NEW YORK POWER AUTHORITY
OPERATING FUND
(\$ MILLIONS)**



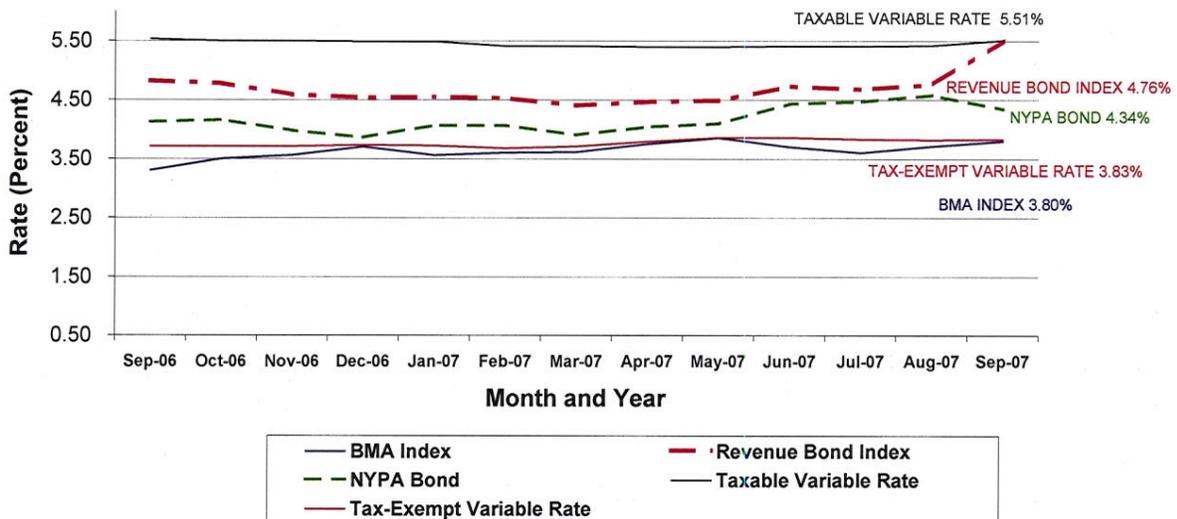
Fuel Reserves include \$209 million for Nuclear Spent Fuel and \$29 million for Energy Hedging Reserve Fund.

OPEB (Other Post Employment Benefits): The Authority's Trustees have authorized staff to initiate the establishment of a trust for its OPEB obligations and have designated \$100 million as a reserve within the Operating fund for this purpose.

Portfolio Performance



Financing Rates



3. **Report from the President and Chief Executive Officer**

President Roger Kelley also welcomed Trustee Curley to the Authority's Board of Trustees. President Kelley encouraged Mr. Curley to call upon him if he had any questions. President Kelley then introduced and welcomed Mr. Gil Quiniones as the Authority's new Executive Vice President – Energy Marketing and Corporate Affairs. He said that prior to coming to the Authority, Mr. Quiniones had served as Senior Vice President for Energy and Telecommunications for the New York City Economic Development Corporation and Chairman of the New York City Energy Policy Task Force. President Kelley said that he is pleased that the Authority is bringing Mr. Quiniones on board in this new and vitally important position. He said that Mr. Quiniones' broad experiences in the utility industry and government in shaping enlightened energy policies are consistent with the Authority's initiatives in supporting Governor Spitzer's efforts for diversified energy supplies, clean air and growing jobs for the economy. President Kelley said that Mr. Quiniones' contributions over the years in his former position strengthened the Authority's partnership with New York City in meeting the electricity needs of schools, hospitals, subways, commuter trains, bridges, tunnels, airports, street lights and other public utilities and lowering their energy bills. He said that Mr. Quiniones will be responsible for overseeing four Authority business units that work together with customer groups and the public: Marketing and Economic Development, Public and Governmental Affairs, Energy Services and Technology and Supply Planning, Pricing and Power Contracts. In addition, Mr. Quiniones will assist in overseeing new Authority projects. President Kelley said that Mr. Quiniones' position had been created in response to the Authority-commissioned Hay report, which had recommended such an executive-level position to oversee the Authority's work with all of its external stakeholders. President Kelley added that he is very happy to have Mr. Quiniones here.

President Kelley said that work continues on the extremely important energy efficiency and clean energy collaborative process that has evolved as a result of the Governor's "15 by 15" initiative. President Kelley said that the clean energy collaborative group, which includes the heads of all key authorities and State agencies, is meeting on a monthly basis. He said that Mr. Angelo Esposito is putting forth his best efforts in this regard to continue to promote and expand the Authority's successful Energy Services and Technology program. President Kelley said that the Lieutenant Governor's Renewable Energy Task Force, of which he is the Authority's official member. President Kelley stated that each of the Task Force's four subcommittees have each developed five recommendations, all 20 of which have been submitted to the Governor's Office. These 20 recommendations are

being looked at from regulatory, financial and public policy perspectives. In addition to Mr. Esposito, the following Authority staff will be working on these initiatives: Mr. Quiniones on the financial side, Ms. Agnes Harris on the workforce development, education and economic development side and Mr. John Osinski on the regulatory and legislative side, with Mr. Brian Warner as President Kelley's designee.

President Kelley stated that he recently toured the Life Extension and Modernization project at the Blenheim-Gilboa Pumped Storage Project, which he said is moving along well. The project is on schedule with the second unit, allowing for some workarounds, as well as being on budget.

President Kelley then advised the Trustees that in the very near future the Authority would be issuing a Request for Proposals for the future energy requirements of the Authority's New York City Governmental Customers, in view of the scheduled closure of the Poletti power plant in January 2010. He added that the options for the near term included seeking bids from power generating firms that already have permits to provide the additional capacity, while the long-term plans may include the potential for the construction of additional generating capacity.

Chairman McCullough said that he appreciates the tremendous energy that President Kelley is putting into his job and complimented him on his efforts on behalf of the Authority. He also said that the Trustees should feel free to ask President Kelley any questions they may have.

4. Power for Jobs Program – Extended Benefits

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve extended benefits for 38 Power for Jobs (‘PFJ’) customers as listed in Exhibit ‘4-A.’ These customers have been recommended to receive such extended benefits by the Economic Development Power Allocation Board (‘EDPAB’).

BACKGROUND

“In July 1997, the New York State Legislature approved a program to provide low-cost power to businesses and not-for-profit corporations that agree to retain or create jobs in New York State. In return for commitments to create or retain jobs, successful applicants receive three-year contracts for PFJ electricity.

“The PFJ program originally made 400 megawatts (‘MW’) of power available. The program was to be phased in over three years, with approximately 133 MW made available each year. In July 1998, as a result of the initial success of the program, the Legislature amended the PFJ statute to accelerate the distribution of the power and increase the size of the program to 450 MW.

“In May 2000, legislation was enacted that authorized another 300 MW of power to be allocated under the PFJ program. Legislation further amended the program in July 2002.

“Chapter 59 of the Laws of 2004 extended the benefits for PFJ customers whose contracts expired before the end of the program in 2005. Such customers had to choose to receive an ‘electricity savings reimbursement’ rebate and/or a power contract extension. The Authority was also authorized to voluntarily fund the rebates, if deemed feasible and advisable by the Trustees.

“PFJ customers whose contracts expired on or prior to November 30, 2004 were eligible for a rebate to the extent funded by the Authority from the date their contract expired through December 31, 2005.

“PFJ customers whose contracts expired after November 30, 2004 were eligible for rebate or contract extension, assuming funding by the Authority, from the date their contracts expired through December 31, 2005.

“Approved contract extensions entitled customers to receive the power from the Authority pursuant to a sale-for-resale agreement with the customer’s local utility. Separate allocation contracts between customers and the Authority contained job commitments enforceable by the Authority.

“In 2005, provisions of the approved State budget extended the period PFJ customers could receive benefits until December 31, 2006. Chapter 645 of the Laws of 2006 included provisions extending program benefits until June 30, 2007. In 2007, a new law (Chapter 89 of the Laws of 2007) included provisions extending program benefits until June 30, 2008.

“At its meeting of October 18, 2005, EDPAB approved criteria under which applicants whose extended benefits EDPAB had reduced for non-compliance with their job commitments could apply to have their PFJ benefits reinstated in whole or in part. EDPAB authorized staff to create a short-form application, notify customers of the process, send customers the application and evaluate reconsideration requests based on the approved criteria.

DISCUSSION

“At its meeting on October 30, 2007, EDPAB recommended that the Authority’s Trustees approve electricity savings reimbursement rebates to the 38 businesses listed in Exhibit ‘4-A.’ Collectively, these organizations have agreed to retain more than 64,000 jobs in New York State in exchange for the rebates.

“The Trustees are requested to approve the payment and funding of rebates for the companies listed in Exhibit ‘4-A’ in a total amount currently not expected to exceed \$4.1 million. Staff recommends that the Trustees authorize a withdrawal of monies from the Operating Fund for the payment of such amount, provided that such amount is not needed at the time of withdrawal for any of the purposes specified in Section 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations, as amended and supplemented. Staff expects to present the Trustees with requests for additional funding for rebates to the companies listed in Exhibit ‘4-A’ in the future.

FISCAL INFORMATION

“Funding of rebates for the companies listed on Exhibit ‘4-A’ is not expected to exceed \$4.1 million. Payments will be made from the Operating Fund. To date, the Trustees have approved \$98 million in rebates.

RECOMMENDATION

“The Executive Vice President and Chief Financial Officer and the Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing recommend that the Trustees approve the payment of electricity savings reimbursements to the Power for Jobs customers listed in Exhibit ‘4-A.’

“The Executive Vice President, General Counsel and Chief of Staff, the Senior Vice President – Marketing and Economic Development, the Senior Vice President – Public and Governmental Affairs and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, the Economic Development Power Allocation Board (“EDPAB”) has recommended that the Authority approve electricity savings reimbursements to the Power for Jobs (“PFJ”) customers listed in Exhibit “4-A”;

NOW THEREFORE BE IT RESOLVED, That to implement such EDPAB recommendations, the Authority hereby approves the payment of electricity savings reimbursements to the companies listed in Exhibit “4-A,” and that the Authority finds that such payments for electricity savings reimbursements are in all respects reasonable, consistent with the requirements of the PFJ program and in the public interest; and be it further

RESOLVED, That based on staff’s recommendation, it is hereby authorized that payments be made for electricity savings reimbursements as described in the foregoing report of the President and Chief Executive Officer in the aggregate amount of up to \$4.1 million, and it is hereby found that amounts may properly be withdrawn from the Operating Fund to fund such payments; and be it further

RESOLVED, That such monies may be withdrawn pursuant to the foregoing resolution upon the certification on the date of such withdrawal by the Vice President – Finance or the Treasurer that the amount to be withdrawn is not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Senior Vice President – Marketing and Economic Development, or his designee, be, and hereby is, authorized to negotiate and execute any and all documents necessary or desirable to effectuate the foregoing, subject to approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolutions, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

Mr. James Pasquale presented the highlights of staff's recommendations to the Trustees. In response to a question from Chairman McCullough, Mr. Pasquale said that only one customer had gone through the reconsideration procedure offered to customers whose allocations are cut due to job shortfalls.

New York Power Authority
 Power for Jobs Extended Benefits
 Recommendation for Electricity Savings Reimbursements

Exhibit A*
 October 30, 2007

Line	Company	City	County	IOU	KW	Job Committed	Jobs in Application	Over (under)	% Over (under)	Compliance	Recommended KW	Jobs/MW	Type	Service
1	AT&T	White Plains	Westchester	Con Ed	560	515	335	-180	-35%	No	560	598	Large	Telecommunications
2	Beth Israel Medical Center	New York	New York	Con Ed	3,800	6634	6634	0	0%	Yes	3,800	1,746	NFP	Health Care Center
3	Bowne & Co	New York	New York	Con Ed	550	2571	391	-2,180	-85%	Yes*	550	711	Large	Provides document management services
4	Charmer Industries, Inc.	Astoria	Queens	Con Ed	750	810	768	-42	-5%	Yes	750	1,024	Large	Distributors of wines and spirits
5	East Harlem Arts & Education Local Devel. Corp	New York	New York	Con Ed	100	15	20	5	33%	Yes	100	200	NFP	Facilities to house arts education & social services
6	International Business Machines - White Plains	White Plains	Westchester	Con Ed	3,870	1,748	1,559	-189	-11%	Yes	3,870	403	Large	Computer Manufacturer
7	Kingsbrook Jewish Medical Center	Brooklyn	Kings	Con Ed	1,200	2,081	2,403	322	15%	Yes	1,200	2,003	NFP	Medical and Research Institution
8	Long Island Jewish Medical Center	Manhasset	Nassau	Con Ed	2,000	6,009	6,143	134	2%	Yes	2,000	3,072	NFP	Healthcare Center
9	Marymount College	Tarrytown	Westchester	Con Ed	400	279	187	-92	-33%	Yes*	400	468	NFP	Independent liberal arts college
10	Memorial Sloan-Kettering Cancer Cen	New York	New York	Con Ed	5,000	8472	8801	329	4%	Yes	5,000	1,760	NFP	Medical Center
11	Mount Sinai Medical Center	New York	New York	Con Ed	2,000	11,261	11,647	386	3%	Yes	2,000	5,824	NFP	Medical Center
12	New York Presbyterian Hospital	New York	New York	Con Ed	5,000	8,540	8,423	-117	-1%	Yes	5,000	1,685	NFP	Medical care
13	Norampac New York City, Inc	Maspeth	Queens	Con Ed	600	213	204	-9	-4%	Yes	600	340	Large	Manufacturers of corrugated paper packaging
	Total Con Ed		Subtotal	13	25,830	49,148	47,515				25,830			
14	John Hassall, Inc.	Westbury	Nassau	LIPA	450	106	116	10	9%	Yes	450	258	Large	Manufacturer of high technology metal fasteners
15	Standard Microsystems Corp.	Hauppauge	Suffolk	LIPA	1,050	376	401	26	7%	Yes	1,050	382	Large	Maker of computer circuits and other components
	Total LIPA		Subtotal	2	1,500	482	517				1,500			
16	Albany Molecular Research, Inc.	Albany	Albany	N. Grid	600	348	395	47	14%	Yes	600	658	Large	Customized pharmaceutical & organic research
17	Applied Energy Solutions (CEN Electronics)	Caledonia	Livingston	N. Grid	300	64	63	-1	-2%	Yes	300	210	Small	Electronics
18	Borg Warner Morse Tech Corp	Cortland	Cortland	N. Grid	1,500	242	236	-6	-2%	Yes	1,500	157	Large	Manufacturer of Auto Components
19	Clarkson University	Potsdam	St. Lawrence	N. Grid	1,500	652	665	13	2%	Yes	1,500	443	NFP	Higher education
20	Cooper Hand Tools	Cortland	Cortland	N. Grid	1,330	115	124	9	8%	Yes	1,330	93	Large	Metal machining and casting
21	Cooper Industries (Cooper Crouse-Hinds)	Syracuse	Onondaga	N. Grid	2,350	529	579	50	9%	Yes	2,350	246	Large	Manufacturer of electrical equipment
22	Delphi Automotive Systems (Par)	Amherst	Erie	N. Grid	150	177	166	-11	-6%	Yes	150	1,107	Small	Manufacturer of parts for Auto Industry
23	Fitzpatrick & Weller, Inc.	Ellicottville	Cattaraugus	N. Grid	1,000	107	95	-12	-11%	Yes*	1,000	95	Large	Lumber & wood components
24	Interface Solutions, Inc.	Fulton	Oswego	N. Grid	1,000	180	161	-19	-11%	Yes	1,000	161	Large	Makes backing for vinyl flooring
25	Kilian Manufacturing Corporation	Syracuse	Onondaga	N. Grid	400	214	166	-48	-22%	Yes*	400	415	Large	Mfr. ball bearings
26	Lydall Manning	Green Island	Albany	N. Grid	1,100	111	115	4	4%	Yes	1,100	105	Large	Specialty Paper Manufacturer
27	McLane Eastern	Baldwinsville	Onondaga	N. Grid	875	823	945	122	15%	Yes	875	1,080	Large	Wholesale grocery distributor
28	Mohawk Paper Mills	Cohoes	Albany	N. Grid	2,250	426	424	-2	0%	Yes	2,250	188	Large	Manufacturer of text and cover papers
29	Sodium Products, Inc.	Cortland	Cortland	N. Grid	90	20	21	1	5%	Yes	90	233	Small	Manufacturer of sodium bicarbonate
30	Standard Manufacturing Co., Inc.	Troy	Rensselaer	N. Grid	30	41	67	26	63%	Yes	30	2,233	Small	Apparel
31	Syracuse University	Syracuse	Onondaga	N. Grid	2,000	4,592	4,479	-113	-2%	Yes	2,000	2,240	NFP	Institution of Higher Education
32	Turbine Engine Components Technologies	Whitesboro	Oneida	N. Grid	1,200	225	268	43	19%	Yes	1,200	223	Large	Precision forging plant
33	Welch Allyn Data Collection Inc.	Skaneateles Falls	Onondaga	N. Grid	2,000	1,257	1,275	18	1%	Yes	2,000	638	Large	Medical and dental diagnostic equipment
	Total National Grid		Subtotal	18	19,675	10,123	10,244				19,675			
34	Borg Warner Automotive Morse TEC	Ithaca	Tompkins	NYSEG	4,000	1416	1422	6	0%	Yes	4,000	356	Large	Manufacture of automotive components
35	Consumers Beverages, Inc.	Buffalo	Erie	NYSEG	240	69	45	-24	-35%	Yes*	240	188	Small	Beverage Producer
36	Endicott Interconnect Technologies	Endicott	Broome	NYSEG	3,500	3,852	4,221	369	10%	Yes	3,500	1,206	Large	Computers
	Total NYSEG		Subtotal	3	7,740	5,337	5,688				7,740			
37	Flower City Printing, Inc.	Rochester	Monroe	RGE	650	257	275	18	7%	Yes	650	423	Large	Commercial printer
38	International Business Machines - Rochester	Rochester	Monroe	RGE	1,150	613	583	-30	-5%	Yes	1,150	507	Large	Computer Manufacturer
	Total RGE		Subtotal	2	1,800	870	858				1,800			

Total	38	56,545	65,960	64,822
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56,545	1,146
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* These companies have had all or part of their allocation restored through the reconsideration process or deemed compliant based on program processes.

5. Power for Jobs Program and Energy Cost Savings Benefits - Compliance Review

The President and Chief Executive Officer submitted the following report:

“The Trustees are requested to approve modifications to the benefits for 25 Power for Jobs (‘PFJ’) customers and four Energy Cost Savings Benefit (‘ECSB’) customers as detailed in Exhibits ‘5-A’ and ‘5-B’ that have reported actual job numbers below their contractual commitments. The Trustees are requested to approve that these customers have their allocations reduced proportionately to their job shortfalls where appropriate. In addition, the Trustees are requested to approve that no modifications be made to the benefits for 28 PFJ customers and eight ECSB customers that, after having reported actual job numbers below their contractual commitments, have applied for and met the criteria to have their benefits reinstated in full through the reconsideration process.

BACKGROUND

“PFJ provides either power or electricity savings reimbursements to businesses and not-for-profit corporations that have agreed to retain or create jobs in New York State. Businesses may have their benefits reduced if they fail to meet their contractual commitments.

“ECSBs protect certain Authority power program customers from bill increases that resulted from higher market prices. These businesses may also have their benefits reduced if they fail to meet their contractual commitments.

“In 2007, a new law (Chapter 89 of the Laws of 2007) included provisions extending program benefits for both programs until June 30, 2008.

“At its meeting of October 18, 2005, the Economic Development Power Allocation Board (‘EDPAB’) approved reconsideration criteria under which applicants whose extended benefits EDPAB had reduced for non-compliance with their job commitments could apply to have their benefits reinstated in whole or in part. EDPAB authorized staff to create a short-form application, notify customers of the process, send customers the application and evaluate reconsideration requests based on the approved criteria.

DISCUSSION

“At its meeting on June 25, 2007, EDPAB recommended that the Authority’s Trustees approve the extension of benefits for 524 PFJ and 106 ECSB program customers through June 30, 2008. In light of a legislative mandate that current PFJ and ESCB program participants receive extended benefits with minimal disruption, a blanket extension was given subject to staff review of the customers’ applications to determine if they are in compliance with their prior contractual commitments.

“In the past, EDPAB would recommend that the Trustees reduce allocations before the customers had an opportunity to apply for reconsideration. To facilitate a more efficient process, due in part to the short period of time left before the programs expire, staff sent the reconsideration criteria mentioned above to those customers that had reported job numbers below their contractual commitments.

“Staff has completed its review of 53 PFJ customers and 12 ESCB customers whose applications indicated job commitment shortfalls as listed on Exhibits ‘5-A’ and ‘5-B.’ Staff received and reviewed 49 letters from these customers making the case to keep their full benefits.

“Twenty-eight PFJ and eight ECSB customers met the criteria in full and therefore staff recommends that these customers have no modification made to their benefits.

“Staff has determined that six PFJ customers have partially met the criteria and therefore should have their allocations reduced in part based on their job shortfalls, where appropriate.

“Finally, staff recommends that 19 PFJ customers and four ECSB customers that have either not submitted a request for reconsideration or have not met the criteria have their allocations reduced proportionately to their job shortfalls.

RECOMMENDATION

“The Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing recommends that the Trustees approve modifications to the benefits for 25 Power for Jobs customers and four Energy Cost Savings Benefit customers to have their benefits reduced proportionately to their job commitment shortfalls, where appropriate. In addition, the Trustees are requested to approve that no modifications be made to the benefits for 28 Power for Jobs customers and eight Energy Cost Savings Benefit customers that, after having reported actual job numbers below their contractual commitments, have applied for and met the criteria to have their benefits reinstated in full through the reconsideration process. The above recommendations are detailed in Exhibits 5-A’ and ‘5-B.’

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President and Chief Financial Officer, the Senior Vice President – Marketing and Economic Development, the Senior Vice President – Public and Governmental Affairs and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, the Economic Development Power Allocation Board (“EDPAB”) has recommended that the Authority approve modifications, where appropriate, to 25 allocations for Power for Jobs (“PFJ”) customers and four for Energy Cost Savings Benefit (“ECSB”) customers that have applied to have their benefits extended and reported actual job numbers below their contractual commitments, as detailed in Exhibits “5-A” and “5-B”; and

WHEREAS, EDPAB has recommended that the Authority approve that no modifications be made to the benefits for 28 PFJ customers and eight ECSB customers that have applied to have their benefits reinstated after having applied for and met the approved reconsideration criteria n full, as detailed in Exhibit “5-A” and “5-B”;

NOW THEREFORE BE IT RESOLVED, That the Senior Vice President – Marketing and Economic Development or his designee be, and hereby is, authorized to negotiate and execute any and all documents necessary or desirable to effectuate the foregoing, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them thereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolutions, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

New York Power Authority
Power for Jobs Extended Benefits
Compliance Review

Line	Company	City	Allocation kw	Jobs Committed	Jobs in 2007			Selection	Reduced Allocation KW	Reconsideration Request Received	Reconsideration Full/Partial/None	Reconsideration Final Allocation KW	Service
					Application	Over (under)	% Over (under)						
1	92nd Street YM-YWHA	New York	200	624	518	-106	-17%	Rebate	166	Yes	Full	200	Community/cultural center
2	Albany Molecular Research, Inc.	Albany	600	395	280	-115	-29%	Rebate	425	Yes	Full	600	Customized pharmaceutical & organic research
3	American Ballet Theater	New York	25	242	175	-67	-28%	Rebate	18	No		20	Performing arts organization
4	American Cancer Society	New York	80	83	20	-63	-76%	Rebate	19	Yes	Full	80	Social Services Provider
5	Bartell Machinery Systems	Rome	200	172	149	-23	-13%	Power	173	Yes	None	170	Machined metal parts, assemblies and machinery.
6	Beth Israel Medical Center	New York	3,800	6634	5,200	-1,434	-22%	Rebate	2,979	Yes	Full	3,800	Health Care Center
7	BOC Edwards Calumatic	Tonawanda	300	155	124	-31	-20%	Power	240	Yes	Partial	270	Semiconductors and related devices
8	Burt Rigid Box, Inc.	Oneonta	350	49	42	-7	-14%	Power	300	Yes	Full	350	Makes custom made set-up boxes
9	Caron Fine Wood Products, Inc.	Champlain	20	3	2	-1	-33%	Power	13	No		15	Supplier of kiln drying for lumber
10	Carville National Leather Corp.	Johnstown	200	31	27	-4	-13%	Rebate	174	Yes	Full	200	Leather Finishers
11	Cascades Tissue Group	Waterford	600	160	142	-18	-11%	Rebate	533	No		530	Large Industrial towel manufacturer
12	Comco Plastics, Inc.	Richmond Hill	500	82	41	-41	-50%	Power	250	Yes	None	250	Makes precision plastic parts
13	CWR Manufacturing, Co.	Syracuse	150	61	53	-8	-13%	Power	130	Yes	Full	150	Manufacturers metal fasteners
14	DEC Properties	Alexandria Bay	160	79	55	-24	-30%	Power	111	No		110	Conference facilities
15	Diamond Ice	Bronx	50	15	0	-15	-100%	Power	0	No		0	Manufactures and storage of ice products
16	Disemolding Corporation	Canastota	200	269	238	-31	-12%	Rebate	177	Yes	Full	200	Thermoset plastic forming
17	East Harlem Arts & Educaiton LDC	New York	100	32	20	-12	-38%	Rebate	63	No		60	Facilities to house arts education & social services
18	Etrae Industries	Alden	250	47	41	-6	-13%	Power	218	Yes	Partial	235	Contracts metal stamper
19	ESCO Turbine Technologies - Syracuse	Chittenango	1,250	421	367	-54	-13%	Power	1,090	Yes	Full	1,250	Foundry - investment castings
20	Ethox Corp.	Buffalo	500	168	118	-50	-30%	Power	351	No		350	Medical Lab
21	Faster Form Corp.	Frankfort	50	49	40	-9	-18%	Rebate	41	No		40	Makes accessories for floral arrangements
22	Faxon Hospital	Utica	350	1,593	553	-1,040	-65%	Power	122	Yes	Full	350	Hospital
23	Gernatt Asphalt Products, Inc.	Collins	800	97	8	-89	-92%	Power	66	Yes	Full	800	Asphalt products
24	Greatbatch, Inc.	Clarence	1,200	559	362	-197	-35%	Power	777	Yes	None	780	Manufactures batteries for implantable medical devices
25	Henry Modell Inc. / Modell's NY Inc	Bronx	400	255	190	-65	-25%	Power	298	Yes	Full	400	Warehousing and distribution of apparel
26	Home for Contemporary Theater & Art	New York	30	19	8	-11	-58%	Rebate	13	Yes	Full	30	Arts venue
27	Interface Solutions, Inc.	Fulton	1,000	161	142	-19	-12%	Rebate	882	Yes	Partial	940	Makes backing for vinyl flooring and gaskets
28	Intrepid Museum Foundation	New York	450	132	88	-44	-33%	Rebate	300	Yes	Full	450	Museum
29	Jamestown Advanced Products, Inc.	Jamestown	225	90	80	-10	-11%	Power	200	Yes	Full	225	Metal fabricating assembly & distribution
30	Jaquith Industries	Syracuse	150	94	58	-36	-38%	Power	93	Yes	Full	150	Steel Fabrication
31	Kennedy Valve	Elmira	3,000	441	392	-49	-11%	Power	2,667	Yes	Full	3,000	Manufacturer of fire hydrants/valves
32	Mold-A-Matic Corp.	Oneonta	175	105	92	-13	-12%	Power	153	Yes	Full	175	Makes electric connectors and sub assemblies.
33	New York University	New York	1,700	16,216	11,756	-4,460	-28%	Rebate	1,232	Yes	None	1,230	Institution of Higher Education
34	ORC Plastics1	Pheonix	125	59	46	-13	-22%	Power	97	No		100	Manufactures injected molded plastic products.
35	Organichem, Inc.	Rensselaer	1,000	310	256	-54	-17%	Rebate	826	No		825	Manufacturing of active pharmaceutical ingredients
36	Par Foam Products, Inc.	Buffalo	168	145	116	-29	-20%	Power	134	Yes	Partial	150	Plastics, sponge, and rubber products manufacturer
37	Peak Resorts Inc., dba Greek Peak	Cortland	2,200	169	149	-20	-12%	Power	1,940	Yes	Full	2,200	Ski resort
38	Pearl Leather Finishers, Inc.	Johnstown	350	107	86	-21	-20%	Power	281	No		280	Leather Finishers
39	Pierpont Morgan Library	New York	250	195	133	-62	-32%	Power	171	Yes	None	170	Museums & art galleries
40	Precious Plate, Inc.	Niagara Falls	235	147	112	-35	-24%	Power	179	Yes	Full	235	Electroplating services
41	Precision Systems Mfg., Inc.	Liverpool	200	71	63	-8	-11%	Rebate	177	Yes	None	180	Machining and sheet metal manufacturing
42	Quebecor World Buffalo, Inc.	Depew	650	874	713	-161	-18%	Power	530	Yes	Full	650	Printer and publisher
43	Reliable Poly Packaging	Brooklyn	250	73	60	-13	-18%	Power	205	Yes	Partial	230	Poly bag converters and printers
44	Roberson Memorial, Inc.	Binghamton	225	21	14	-7	-33%	Power	150	Yes	Full	225	Educational institution & museum
45	Rome Specialty Company, Inc.	Rome	135	19	16	-3	-16%	Power	114	Yes	Full	135	Manufacturer of fishing tackle
46	RSA Solutions Inc.	Amherst	50	287	203	-84	-29%	Rebate	35	Yes	Partial	45	Third party business service provider of vehicles
47	S. R. Guggenheim Museum	New York	475	380	325	-55	-14%	Rebate	406	Yes	Full	475	Art Museum
48	Saint-Gobain	Hoosick Falls	225	176	109	-67	-38%	Power	139	Yes	Full	225	Manufacturers pressure sensitive tapes
49	Stature Electric	Watertown	150	176	142	-34	-19%	Power	121	Yes	Full	150	Manufacturers magnet motors
50	Syracuse Heat Treating Corp	Syracuse	200	24	20	-4	-17%	Power	167	Yes	Full	200	Provides heat treating & brazing services
51	Syracuse Plastics, Inc.	Liverpool	400	55	38	-17	-31%	Rebate	276	Yes	Full	400	Maker of plastic parts and components
52	Syroco, Inc.	Baldwinsville	550	188	160	-28	-15%	Rebate	468	No		470	Plastic injection molding manufacturer
53	The Educational Alliance	New York	350	598	393	-205	-34%	Power	230	No		230	Educational and Cultural Organization
Total			27,253	33,607	24,535				20,922			24,985	

New York Power Authority
 Economic Development Power Programs
 Energy Cost Savings Benefits
 Compliance Review

Exhibit "B"
 October 30, 2007

Line	Company	Program	City	Allocation kw	Job Commitment	Job in 2007 Application	Over/ Under	Percentage Over/ Under	Reduced Allocation KW	Reconsideration Request Received	Reconsideration Full/Partial/None	Reconsideration Final Allocation KW	Service
1	AMETEK Hughes-Treitler	MDA	Garden City	750	195	160	-35	-18%	615	No		650	Manufacturer of heat exchangers
2	Diemolding Corporation	EDP	Canastota	800	269	238	-31	-12%	708	Yes	Full	800	Thermoset plastic forming
3	Ellanef Manufacturing Corporation	MDA	Bohemia	1,200	195	122	-73	-37%	751	Yes	Full	1,200	Machining assembly components for aerospace industry
4	Endicott Interconnect Technologies	EDP	Endicott	20,000	5,500	4,207	-1,293	-24%	15,298	Yes	Full	20,000	Electronics
5	Excelsior Transparent Bag Mfr.	MDA	Yonkers	700	180	135	-45	-25%	525	No		525	Prints and converts plastic film materials
6	General Motors Corporation	EDP	Massena	8,000	534	425	-109	-20%	6,367	Yes	Full	8,000	Manufacturer of engines for automobile
7	New York Times Company, Inc.	EDP	Flushing	6,000	3,198	2,609	-589	-18%	4,895	Yes	Full	6,000	Printing daily newspaper
8	New York Times Company, Inc.	MDA	Flushing	4,500	3,198	2,609	-589	-18%	3,671	Yes	Full	4,500	Printing daily newspaper
9	Newsday, Inc.	MDA	Melville	350	2,464	2,146	-318	-13%	305	Yes	Full	350	Printing daily newspaper
10	Revere Copper Products	EDP	Rome	6,000	490	424	-66	-13%	5,192	Yes	Full	6,000	Copper & brass products
11	Syroco, Inc.	EDP	Baldwinsville	800	198	160	-38	-19%	646	No		680	Plastic injection molding manufacturer
12	World Class Film Corp.	MDA	Yonkers	1,900	91	57	-34	-37%	1,190	No		1,190	Produces extruded polyethylene film rolls, sheeting and bags

Total	51,000	16,512	13,292
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40,164

49,895

6. **Allocation of 1,900 kW of Hydro Power Benefits**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve an allocation of available Replacement Power (‘RP’) totaling 1,990 kW to four industrial companies.

BACKGROUND

“Under Section 1005(13) of the Power Authority Act, as amended by Chapter 313 of the Laws of 2005, the Authority may contract to allocate or reallocate directly, or by sale for resale, 250 MW of firm hydroelectric power as Expansion Power and up to 445 MW of RP to businesses in the State located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county. Allocations are made pursuant to criteria set forth in Section 1005(13).

“On October 22, 2003, the Authority, National Grid, Empire State Development Corporation and the Buffalo Niagara Enterprise signed a Memorandum of Understanding (‘MOU’) that outlines the process to coordinate marketing and allocating Authority hydro power. The entities noted above have formed the Western New York Advisory Group (‘Advisory Group’) with the intent of better using the value of this resource to improve the economy of Western New York and the State of New York. Nothing in the MOU changes the legal requirements applicable to the allocation of hydro power.

DISCUSSION

“Staff recommends and the Advisory Group supports the available power being allocated to the four companies set forth in Exhibit ‘6-A.’ The Exhibit shows, among other things, the amount of power requested, the recommended allocation and additional employment and capital investment information. These projects will help maintain and diversify the industrial base of Western New York and provide new employment opportunities. They are projected to result in the creation of 173 jobs.

RECOMMENDATION

“The Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing recommends that the Trustees approve the allocation of 1,990 kW of hydropower to the companies listed in Exhibit ‘6-A.’

“The Executive Vice President, General Counsel and Chief of Staff, the Senior Vice President – Marketing and Economic Development and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the allocation of 1,990 kW of Replacement Power, as detailed in Exhibit “6-A,” be, and hereby is, approved on the terms set forth in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

New York Power Authority
 Replacement Power
 Recommendations for Allocations

Exhibit "6-A"
 October 30, 2007

Exhibit Number	Company Name	City	County	Power Requested (kW)	New Jobs	Estimated Capital Investment	New Jobs Avg. Wage Benefits	Power Recommended (kW)	Contract Term
A-1	Ashton Potter (USA) LTD	Depew	Erie	712	48	\$2,930,000	\$31,000	700	Five Years
A-2	Great Lakes Concrete Products, LLC	Hamburg	Erie	110	46	\$2,000,000	\$47,000	110	Five Years
A-3	Hurtubise Tire, Inc	North Tonawanda	Niagara	232	15	\$1,100,000	\$29,000	180	Five Years
A-4	Niagara Sheets, LLC	Wheatfield	Niagara	1,000	64	\$12,500,000	\$35,000	1,000	Five Years
	Total RP Recommended				173	\$18,530,000		1,990	

October 30, 2007

October 30, 2007
Exhibit "6-A1"

APPLICATION SUMMARY

Replacement Power

Company:	Ashton Potter (USA) LTD
Location:	Depew
County:	Erie
IOU:	New York State Electric and Gas Corporation
Business Activity:	Manufacturer of United States Postal Service (USPS) stamped envelopes
Project Description:	Ashton Potter has an existing facility in Amherst; however, the company will be expanding its operations by leasing a building in Depew. The project will include making building modifications and adding new equipment. The company will purchase and install new equipment, including presses, ink jet systems and other manufacturing equipment. It will also make building improvements, including foundation work, installing HVAC, compressors and humidifier systems.
Existing Allocation:	None
Power Request:	712 kW
Power Recommended:	700 kW
Job Commitment:	
Existing:	0 jobs
New:	48 jobs
New Jobs/Power Ratio:	69 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$31,000
Capital Investment:	\$2.93 million
Capital Investment per MW:	\$4.19 million/MW
Summary:	Ashton Potter, primarily a print manufacturing company, produces and sells secured documents. The majority of its business results from a long-term contract with the USPS. It is one of three companies that print postal stamps. The company is competing for a new USPS project with a Virginia company that currently performs the work. A low-cost power allocation will help Ashton Potter reduce its cost and compete effectively. The Empire State Development Corporation has pre-approved a grant for this project.

October 30, 2007

October 30, 2007
Exhibit "6-A2"

APPLICATION SUMMARY

Replacement Power

Company: Great Lakes Concrete Products, LLC

Location: Hamburg

County: Erie

IOU: New York State Electric and Gas Corporation

Business Activity: Manufacturer of concrete products

Project Description: The project would include an expansion at the company's existing site, including installing overhead cranes, rails and machinery for its mix operation. In addition, the company will install concrete forms and new generators. The expansion will also include new lighting and cooling systems.

Existing Allocation: None

Power Request: 110 kW

Power Recommended: 110 kW

Job Commitment:

Existing:	60 jobs
New:	46 jobs

New Jobs/Power Ratio: 418 jobs/MW

New Jobs - Avg. Wage and Benefits: \$47,000

Capital Investment: \$2.0 million

Capital Investment per MW: \$18.2 million/MW

Summary: This expansion project will help the company expand its manufacture of products used in road construction, parking lot expansions and home and building materials markets. The availability of low-cost power is essential to the economics and competitiveness of this project. It will help the company compete and be able to grow in western New York. This expansion will also have a positive effect on work produced at the company's other western New York sites.

APPLICATION SUMMARY**Replacement Power**

Company:	Hurtubise Tire Inc
Location:	North Tonawanda
County:	Niagara
IOU:	National Grid
Business Activity:	Automotive tire recapping
Project Description:	The project would include the purchase and renovation of a building in North Tonawanda. The company will install new and reconditioned state-of-the-art tire recapping equipment. The new equipment would include buffers, extruders, tire painters, air compressors, new lighting and other equipment associated with tire recapping. In addition, the company will modify and upgrade its warehouse.
Existing Allocation:	None
Power Request:	232 kW
Power Recommended:	180 kW
Job Commitment:	
Existing:	3 jobs
New:	15 jobs
New Jobs/Power Ratio:	83 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$29,000
Capital Investment:	\$1.1 million
Capital Investment per MW:	\$6.1million/MW
Summary:	The availability of low-cost power is essential to the economics and competitiveness of this project. The company would be competing with tire recappers in other states, as well as foreign tire manufacturers. The company is also considering alternative locations for this project in Bradford and Erie, Pennsylvania. A low-cost power allocation would help Hurtubise build its case to locate this new business in western New York. Niagara County will assist the company with a \$200,000 loan and it has qualified for real property tax exemptions on its building improvements.

October 30, 2007

October 30, 2007
Exhibit "6-A4"

APPLICATION SUMMARY

Replacement Power

Company:	Niagara Sheets, LLC
Location:	Wheatfield
County:	Niagara
IOU:	National Grid
Business Activity:	Manufacturer of corrugated sheets
Project Description:	The project includes the purchase of a building and an expansion of approximately 23,000 square feet. All new equipment will be installed for the manufacturing, handling, banding, tagging and loading of the company's product. In addition, new computer hardware and software for order entry, costing, scheduling, accounting, inventory, purchasing and billing will be installed.
Existing Allocation:	None
Power Request:	1,000 kW
Power Recommended:	1,000 kW
Job Commitment:	
Existing:	0 jobs
New:	64 jobs
New Jobs/Power Ratio:	64 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$35,000
Capital Investment:	\$12.5 million
Capital Investment per MW:	\$12.5 million/MW
Summary:	Niagara Sheets was formed in 2007 to produce corrugated fiberboard sheets used in manufacturing boxes. The company is a joint venture owned by Jamestown Container Corp., Smurfit- Stone Container Enterprises and Norampac Industries, Inc. The availability of low-cost power is essential to the economics and competitiveness of this project, which will supply cardboard sheets for Norampac's Lancaster factory and other customers. The company is in the process of working with local and state economic development agencies to apply for various project incentives.

7. Request to Approve Extensions to the Terms of Service for Nine Existing Expansion Power Customers

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve extensions to the terms of service for nine allocations of Expansion Power (‘EP’) totaling 11,100 kW to the nine companies listed in Exhibit ‘7-A,’ all of which are existing customers. In addition, the Trustees are requested to approve a reduction in the allocation and job commitments of one of the customers as detailed below.

BACKGROUND

“Under Section 1005(13) of the Power Authority Act, the Authority may contract to allocate or reallocate directly, or by sale for resale, 250 MW of firm hydroelectric power as EP to businesses within the state that are located within 30 miles of the Niagara Power Project (‘Project’), provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987 (19,732 kW) continues to be allocated in such county.

“Each application for an EP allocation must be evaluated under criteria that include, but need not be limited to, those set forth in Public Authorities Law Section 1005(13)(a), which sets forth eligibility criteria, and (b), which sets forth revitalization criteria.

DISCUSSION

3M Company (‘3M’)

“3M’s Tonawanda facility, located in Erie County, is part of 3M’s Home Products Division. The plant has been in existence for approximately 52 years. The main products manufactured at this site are cellulose sponges and sponge abrasive laminate sponges. Over the years, the company has spent large amounts of capital on both production machinery and infrastructure projects at this site. The company’s manufacturing process uses a large amount of electricity that adds a significant cost to production expenses.

“The manufacturing operations at this site are significantly more affected by electric rate structure than other 3M sites due to the process design. Cellulose sponge is cooked with electricity to create the final product. Energy cost is a significant factor when expansion projects are considered. Ultimately, the continuation of lower-cost electricity will stabilize the company’s job base through reduced plant operating costs. Cost-effective production capacity can then be leveraged to increase market share.

“In the last 18 months, 125 engineering projects costing approximately \$10 million were completed at the plant. The plant undergoes an annual capital forecasting process that targets further investment in plant efficiency, occupational safety and health systems and technology, manufacturing capacity and site infrastructure.

“The EP contract extension is considered a necessity from 3M’s perspective to maintain a favorable manufacturing position for its facility in western New York. With low-cost EP, the company can stabilize and/or reduce its electricity costs and help secure the facility’s future. 3M’s 500 kW EP allocation terminated on June 30, 2007. Since then, the Authority has been serving 3M on a month-to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 500 kW allocation for five years. 3M has been above its job commitment and will commit to maintaining its current employment level of 330 jobs.

C&S Wholesale Grocers Inc. (‘C&S’)

“C&S, located in Cheektowaga, Erie County, has been providing warehousing and distribution services to supermarket chains, independent grocers and military facilities across the nation for more than 85 years. C&S

entered western New York in 2002 when it entered an agreement with Tops Markets to purchase its distribution facilities in Lancaster, New York, Cheektowaga, New York and Cleveland, Ohio. C&S currently supplies Tops Markets, Martins' and other local grocery stores from these three locations.

"C&S is dedicated to the Empire State. In addition to its western New York presence, C&S also operates more than 1.5 million square feet of warehouse space on Long Island and in the Hudson Valley. Statewide, the company employs more than 1,600 workers.

"Unlike some types of facilities, frozen-food warehouses have to maintain operations regardless of sales. The Cheektowaga facility must keep products at temperatures as low as 15 degrees below zero. The company maintains a fleet of electric forklifts to keep products moving onto their shelves from suppliers' freezer trucks and from their shelves onto their grocery customers' waiting trucks. The battery chargers for these forklifts are in constant operation. This keeps the C&S's electric demand and consumption constantly high around the clock and throughout the year. After lease and property tax expenses, electricity is the highest occupancy expense at the facility. Electricity costs account for approximately 20% of the freezer's occupancy costs.

"C&S has 45 full-time-equivalent employees at this location. The company's goal, as it rebuilds shipment volumes at this location is to bring full-time staffing levels to between 50 and 55 employees.

"The contract for C&S's 300 kW allocation of EP, with a commitment of 50 jobs, at its Cheektowaga facility expired on January 31, 2006. Since then, the Authority has been serving C&S on a month-to-month basis.

"Staff recommends that the Trustees approve an extension of the term of service for the 300 kW allocation for five years with an employment commitment of 50 jobs.

Delphi Automotive Systems (Amherst) ('Delphi')

"Delphi produces plastic molded components, primarily radiator tanks, for the automotive industry at its facility in Amherst, Erie County. On October 8, 2005, Delphi filed voluntary petitions for business reorganization under Chapter 11 of the U. S. Bankruptcy Code. Delphi took this action to preserve the value of the company and complete the transformation plan designed to resolve its existing legacy issues and the resulting high cost structure of its U. S. operations. As this reorganization process continues, the U. S. Delphi plants, offices and other facilities will continue to operate, including the Amherst injection molding facility.

"As part of the transformation plan, Delphi must realign its global product portfolio and manufacturing footprint to preserve the core business. Each individual Delphi plant site will be evaluated within the next several months as to the successful progress to its revitalization plan, and the future viability of its site.

"To remain viable, the Delphi Amherst Injection Molding facility must continue to meet its commitments with respect to cost. The extension of the company's contract for 500 kW of EP for 124 jobs will help Delphi maintain costs and is vital for the company to remain in business.

"Delphi's current EP allocation has had a direct impact on lowering its overhead costs, enabling the company to competitively quote on new business with positive results. In the last few years, Delphi has been awarded new business and existing business that was running in other molding shops throughout the country. Booking this business allowed Delphi to add equipment to the facility. Delphi is competing in a global market and it is a challenge to stay competitive. It has become critical to have avenues to offset rising operational costs. The EP allocation is one of these avenues. Currently, approximately 90% of the product manufactured at the Amherst site feeds the assembly lines at Delphi's Lockport Facility.

"In 2005 and 2006, a new Cure in Place Gasket ('CIPG') Line and four plastic injection molding machines that cost \$1.8 million were added to the operation. In 2006, new pallets that cost \$60,000 were purchased for the CIPG Line; these pallets reduce scrap and improve productivity levels.

"Delphi has been meeting its contractual commitments, but its contract for its EP allocation terminated on September 30, 2006. Since then, the Authority has been serving Delphi on a month-to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 500 kW allocation for five years with an employment commitment of 124 jobs.

Dunkirk Specialty Steel, LLC (‘DSS’)

“DSS is a wholly owned subsidiary of Universal Stainless & Alloy Products, Inc. (‘USAP’). The company is located in Dunkirk, Chautauqua County. DSS manufactures round and shaped bars, coiled rods and wire products from specialty stainless steel billets produced by USAP in Bridgeville, PA. At present, DSS is producing and delivering nearly 1.7 million pounds of these products to various customers each month; that total is increasing year by year. These products serve a variety of end-markets, such as petrochemical, mining, aerospace, nuclear and power generation, medical, transportation, marine and machine building.

“Domestic manufacturers of stainless steel products face significant challenges, especially due to foreign competition. At the Dunkirk facility, electrical costs as a percentage of operational/production costs averaged 10% over the past five years. DSS’s present EP allocation gives the company the ability to combat foreign producers’ cost advantages.

“DSS’s EP allocation is essential for business growth and an integral part of existing plans to modernize its hot rolling technology. Building improvements at the site are ongoing to prepare for a new production line start-up in January 2008. This investment totals nearly \$4 million in equipment alone and will increase bar production capacity by 15-20%, requiring the hiring of several new employees. The company is actively recruiting in all departments, with the goal of reaching 180 jobs by the end of 2007.

“The contract for DSS’s 6,800 kW EP allocation for 250 jobs expired on December 31, 2006. Since then, the Authority has been serving DSS on a month-to-month basis. The company has never fully utilized its allocation, peaking at slightly more than 5,900 kW in early 2006.

“Staff recommends that the Trustees reduce the allocation to 5,800 kW, lower DSS’s employment commitment to 180 and approve an extension of the term of service for the 5,800 kW allocation for five years.

Fairbank Reconstruction Corp. d/b/a Fairbank Farms (‘Fairbank’)

“Fairbank is a medium-sized USDA-inspected ground beef processing facility located in Ashville, Chautauqua County. This food-processing business remains the only locally owned and operated ground beef facility serving the retail supermarket trade in the Northeast. The business survived a devastating fire in 1989 and with the assistance of the Authority, and the determination of the Fairbank family, has developed into one of the industry-leading suppliers of modified-atmosphere packaged fresh ground beef and ground beef patty products. Fairbank’s annual new equipment expenditures have averaged more than \$800,000 a year since 2003. The company plans to add a new product storage freezer and associated dock space to the facility in fall 2008 at an estimated cost of \$1.2 million.

“Today, Fairbank produces approximately 1.1 million pounds per week of fresh case-ready ground beef in modified-atmosphere packaging and ground beef chubs for sale to retail distributors and their stores. The company’s sales efforts are geared to adding new customers to fill the capacity created during its last expansion. Fairbank’s sales have increased 24% in 2007 and are expected to increase in 2008-09 by an additional 25%, which would move total volume to 1.6 million pounds/week. The increase in employment from 2006 to 2009 will be in excess of 40 full-time positions. Fairbank’s EP allocation significantly helps the company’s competitive edge. Without the allocation, jobs would have to be redirected to another company facility. Since 1990 (following the plant fire), the company’s workforce has grown from 30 to an annual average of 110 employees.

“Fairbank’s contract for a 700 kW EP allocation with a commitment of 100 jobs at its Ashville facility expired on November 20, 2005. Since then, the Authority has been serving Fairbank on a month-to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 700 kW allocation for five years with an employment commitment of 110 jobs.

International Imaging Materials, Inc ('IIMAK')

“IIMAK, an international business based in Amherst, Erie County, manufactures thermal transfer ribbons and associated products for the printing industry. In addition, the company manufactures and distributes glass imaging products, contract inks and coatings and distributes other printing supplies. The Amherst site includes corporate offices for executive management, sales, marketing and finance, as well facilities for direct manufacturing and distribution of IIMAK’s products.

“The company continues to explore ways to expand its business to new markets, either as a contract manufacturer or new product developer, and anticipates future acquisitions to help facilitate its growth, which will result in new jobs in Amherst. IIMAK continues to invest in its business to remain competitive and expand into new markets. The facility has remained state of the art through capital investment over the last 10 years. The company has spent more than \$15 million on capital investment since 2001. IIMAK recently expanded into the glass decorating market and has modified parts of its plant for this business unit. To date, the company has spent \$600,000 on clean rooms and equipment such as printers, laminators and tempering ovens to support this new business.

“IIMAK’s marketplace is highly competitive. Low-cost power is essential to the company’s operation being cost effective. Hydropower has allowed IIMAK to effectively automate and update its equipment and to stay competitive and remain in New York. Without its EP allocation, the company’s automation projects would not be cost effective. IIMAK continues to look for growth opportunities in related manufacturing areas with a goal of bringing increased production to Amherst to take advantage of the company’s core business knowledge and manufacturing capability. EP is critical to this cause. The company currently employs 393 people.

“The contract for IIMAK’s 1,250 kW EP allocation for 380 jobs expired on June 30, 2007. Since then, the Authority has been serving IIMAK on a month- to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 1,250 kW allocation for five years with an employment commitment of 393 jobs.

Special Metals Corporation ('SMC')

“SMC, founded in 1952, is a world leader in super-alloy technology located in Dunkirk, Chautauqua County. The company pioneered the vacuum induction melting method to produce super-alloys for military and civilian use in jet engine turbines. Nearly every jet engine in the free world has some alloy in it produced by SMC. Due to the recession in the aerospace industry and the collapse of Enron, SMC went into bankruptcy in 2002, significantly dropping its employment level. Since then, the company has restructured and emerged from bankruptcy at the end of 2003. The industry has improved and SMC has dramatically recovered lost business. In 2005, Precision Castparts Corporation ('PCC') acquired SMC with plans to increase investment and employment at the facility.

“SMC recently completed a significant expansion project. The company spent approximately \$35 million to install a GFM Rotary Forge Press. The equipment itself cost about \$27 million, and the building expansion to accommodate the equipment cost an additional \$8 million. This investment is expected to double SMC’s forging capacity and improve material yield by 5%. The new capital investment should enable the company to increase market share in the high-tech metals alloying business and provide a measure of job security for employees at the company’s Dunkirk and New Hartford, New York facilities.

“The aerospace market is increasingly competitive. The engine manufacturers that use SMC’s alloys continuously demand lower-cost products to ensure their own viability. Electricity represents about 14% of SMC’s total variable cost at the Dunkirk site. SMC’s management believes that its EP allocation has been an important factor in enabling the company to competitively price its products in the marketplace. An extension of the EP contract will be key in enabling SMC to stay competitive with other specialty alloy manufacturers.

“The contract for SMC’s 1,000 kW EP allocation for 81 jobs expired on February 28, 2007. Since then, the Authority has been serving the company on a month-to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 1,000 kW allocation for five years with an employment commitment of 81 jobs.

The Red Wing Company ('Red Wing')

“Production operations began for Red Wing at its site in Fredonia, Chautauqua County, in the early 1900s when fruit juices produced from local crops were packaged and marketed under the ‘Red Wing’ label. In the late 1920s and early 1930s, ketchup and jam and jelly production were added. Presently, the company operates four distinct production departments: Peanut Butter, Preserves and Jelly, Tomato and Salad Dressing. Within these departments are 10 production lines that produce a broad variety of products: peanut butter, jelly, preserves, spaghetti sauce, salsa, chili sauce, cocktail sauce, barbeque sauce, mayonnaise, pourable salad dressing, pancake syrup, chocolate syrup, marinade and Bloody Mary mixes.

“The full-time staffing level is currently at 637, with 155 administrative employees and 482 hourly employees. The average wage is approximately \$18 per hour, plus 43% added on for benefit costs.

“Red Wing’s parent company, Ralcorp, has spent more than \$20 million on capital invested in the Fredonia facility over the last six years, primarily to improve productivity in an effort to maximize output with available resources. Several million dollars have been spent during this time on building infrastructure projects, namely, replacing and repairing roofing and floor systems throughout the facility.

“The current EP allocation has helped the company keep variable overhead spending at reasonable levels in the midst of significant price increases over the last several years. This is especially true with respect to utility costs and packaging material (plastic) costs, as the oil and natural gas markets have driven other prices higher, namely electricity.

“Continued availability of this allocation is vital to Red Wing’s maintaining market share, since the company must remain at par with competing companies in other states that benefit from lower utility costs. Recently, a study conducted by an international energy management company for Ralcorp found that Red Wing is paying nearly two-thirds more in electrical demand charges for the New York facilities than the 10 biggest electrical users throughout Ralcorp’s various other divisions. The manufacturing sites continue to compete for production volume within the company. Red Wing’s EP allocation helps offset the disparity in demand charges and thus will help keep production volume at the Fredonia site, keeping jobs in western New York. Current employment is 510 jobs.

“The contract for Red Wing’s 750 kW EP allocation for 440 jobs at its Dunkirk facility expired on May 31, 2007. Since then, the Authority has been serving the company on a month-to-month basis.

“Staff recommends that the Trustees approve an extension of the term of service for the 750 kW EP allocation for five years with an employment commitment of 440 jobs.

Tulip Corporation ('Tulip')

“Tulip, located in Niagara Falls, Niagara County, has been in operation since the turn of the last century. The company was part of the Prestolite Battery family until 1985, when Tulip purchased the facility. The plant has a long history of manufacturing automotive battery cases, covers and safety vents. Today it is Tulip’s core business, but Tulip has also expanded into manufacturing recycled polypropylene and polyethylene materials that are both used internally to manufacture new battery components out of 100% recycled materials and sold to various outside customers. Tulip plans to invest at least another \$1 million over the next 2-5 years to grow its business further.

“The expansion into manufacturing with recycled materials has increased Tulip’s demand for electricity significantly. Currently electric costs represent 28.2% of the company’s material sales cost and 7.2% of its battery component sales cost. Therefore, Tulip’s EP allocation is vital to its operation.

“The contract for Tulip’s 300 kW EP allocation for 122 jobs at its Niagara Falls facility expired on October 31, 2005. Since then, the Authority has been serving Tulip on a month-to-month basis. With the new product expansion that will occur over the next 2-4 years, Tulip can commit to an employment level of 110 employees.

“Staff recommends that the Trustees approve an extension of the term of service for the 300 kW allocation for five years.

“The extensions requested above will help maintain costs and enable these nine companies to compete more effectively. In addition, they will further secure employment levels in Western New York.

“The request was reviewed in accordance with the applicable criteria set forth in Part 460 of the Authority’s Rules and Regulations governing the Allocation of Industrial Power (21 NYCRR Part 460 (1988)).

RECOMMENDATION

“The Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing recommends that the Trustees approve extensions to the terms of service for nine allocations of Expansion Power totaling 11,100 kW to the nine companies listed in Exhibit ‘6-A’ and approve a reduction in the allocation and jobs commitment for one of the customers as detailed above.

“The Executive Vice President, General Counsel and Chief of Staff, the Senior Vice President – Marketing and Economic Development and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees find that staff’s review supports an extension of 11,100 kW of Expansion Power as detailed in Exhibit “A,” that is hereby approved on the terms set forth in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Trustees approve a reduction in the allocation and jobs commitment for Dunkirk Specialty Steel, LLC as described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Senior Vice President – Marketing and Economic Development, or his designee, be, and hereby is, authorized to negotiate and execute any and all documents necessary or desirable to effectuate the foregoing, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

Exhibit "7-A"
October 30, 2007

New York Power Authority
Expansion Power

Recommendations for Contract Extensions

Line	Company	City	County	IOU	KW		Jobs/MW	Term
					Allocation	Total Jobs		
1	3M	Tonawanda	Erie	N. Grid	500	330	660	Five Years
2	C+S Wholesale Grocers, Inc.	Williamsville	Erie	N. Grid	300	50	167	Five Years
3	Delhi Automotive Systems	Amherst	Erie	N. Grid	500	124	248	Five Years
4	Dunkirk Specialty Steel, Inc.	Dunkirk	Chautauqua	N. Grid	5,800	180	31	Five Years
5	Fairbank Farms, Inc.	Ashville	Chautauqua	N. Grid	700	110	157	Five Years
6	International Imaging Materials, In	Amherst	Erie	N. Grid	1,250	393	314	Five Years
7	Special Metals Corporation	Dunkirk	Chautauqua	N. Grid	1,000	81	81	Five Years
8	The Red Wing Company Inc.	Fredonia	Chautauqua	N. Grid	750	440	587	Five Years
9	Tulip Corporation	Niagara Falls	Niagara	N. Grid	300	110	367	Five Years
	Total				11,100	1,818		

8. Transfers of Industrial Power

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the transfer of power allocations for six existing customers that have either changed their names for various business reasons and/or moved the location of their business.

BACKGROUND

“Three companies have requested that the Authority grant approval of their requests for the continued delivery of Authority power allocations to facilities that have all gained prior approval for an allocation with pre-existing company names and/or ownership. The present owners of these same facilities are now requesting that the Authority authorize the continuation of the power allocations granted to the previous company names and ownership associated with these facilities. One company requested that the Authority grant approval of its request to transfer its allocation to a company that has agreed to maintain the current business operation and commit to the existing terms of the contract; however, the new owners are changing the company name. Two companies requested that the Authority grant approval of their request to transfer their allocations to another facility. The reasons for such transfers are described below.

“The Trustees have approved transfers of this nature at past meetings.

DISCUSSION

“The proposed transferees are as follows:

“**Alcan Packaging Food & Tobacco Inc.** (‘Alcan’), located in New Hyde Park, Nassau County, has been in business for more than 60 years. Alcan manufactures flexible plastic packaging primarily used in the food industry. The company, originally Cellu-Craft Inc., was awarded an 850 kW Economic Development Power (‘EDP’) allocation for 141 jobs by the Trustees at their meeting of January 23, 1991. At their September 23, 2003 meeting, the Trustees recognized the company’s name change from Lawson Marden Label, Inc. to the legal name of its parent company, Alcan Packaging Food & Tobacco Inc. At their September 30, 2005 meeting, the Trustees extended the allocation to the end of 2006 and granted the company Energy Cost Savings Benefits (‘ECSBs’) for the same period in exchange for 175 jobs. At their November 28, 2006 meeting, the Trustees extended the allocation from January 1, 2007 through June 30, 2007 and granted the company ECSBs for the same period in exchange for 170 jobs. At their June 26, 2007 meeting, the Trustees extended the allocation through June 30, 2008 and granted the company ECSBs for the same period in exchange for 163 jobs. Alcan has moved most of its manufacturing to a modern facility in Edgewood, Long Island that can handle the 10 new color printing presses and slitters required for its customers. Alcan requests that the 850 kW EDP allocation be transferred to its Edgewood facility, where the company will continue to honor all of the terms and commitments of its contract with the Authority.

“The New York chapter of the **American Cancer Society** (‘ACS’), formerly located on West 56th Street in Manhattan, New York County, moved its office to West 32nd Street in August 2007. The New York chapter is part of the nationwide community-based not-for-profit organization dedicated to eliminating cancer as a major health problem through prevention and diminishing suffering through research, education, advocacy and services such as counseling, doctor referral and home care assistance. ACS was awarded a 100 kW Power for Jobs (‘PFJ’) allocation with 113 jobs by the Trustees at their April 28, 1998 Trustees meeting. The contract was extended, with 99 jobs, by the Trustees at their April 17, 2001 Trustees meeting. ACS chose to take the rebate option in 2005, and was approved for 100 kW and 114 jobs through the end of 2006, by the Trustees at their November 29, 2005 meeting. ACS continued with the rebate for January 1, 2007 through June 30, 2007, with 80 kW and 83 jobs, as approved by the Trustees at their meeting of November 28, 2006. The rebate option has been extended through June 30, 2008, with 80 kW and 91 jobs, as approved by the Trustees at their meeting of June 26, 2007. ACS requests that the PFJ rebate benefit be transferred to its West 32nd Street office, where ACS agrees to comply with all obligations associated with its allocation.

“Ferro Electronic Materials Inc. (‘Ferro’), located in Niagara Falls, Niagara County, since 1906, is the premier supplier of ceramic dielectric powders used to make capacitors used by both the military and commercial electronics industries. Furthermore, Ferro is a worldwide supplier of zircon, zirconia and rutile base ceramics used in tiles and high-performance refractories. TAM Ceramics, Inc. (‘TAM’) was awarded four hydro allocations, one Expansion Power (‘EP’) and three Replacement Power (‘RP’), from the early 1960s through the 1990s. The oldest allocation is a 7 MW RP allocation with 147 jobs. Then TAM received a 3 MW EP allocation with 224 jobs, an RP allocation of 1MW with 257 jobs and finally an RP allocation of 3,115 kW with 306 jobs. At their September 30, 1997 meeting, the Trustees reduced the employment commitments for the 3MW EP allocation and 3,115 kW RP allocation for productivity improvements made to 220 jobs and 302 jobs, respectively. Ferro purchased TAM in 1999 and the Trustees transferred the EP allocation (RP allocations contractually do not require permission for transfer if substantially all the assets were sold) to Ferro at their October 26, 1999 meeting. At their September 26, 2000 meeting, the Trustees reduced the 3,115 RP allocation’s employment level for productivity improvements to 276 jobs. At their April 24, 2007 meeting, the Trustees reduced the 3MW EP allocation, the 3,115 kW RP allocation and the 1MW RP allocation due to Ferro’s not meeting employment commitments to 2,100 kW, 1,700 kW and 600 kW, respectively, with a revised employment commitment of 152 jobs. Ferro is in the process of selling all its assets at its Niagara Falls location to All-American Holdings, LLC and/or its affiliates (‘AAH’). AAH plans to operate the same business for the long term and has plans to grow. AAH will hold the business as a newly formed LLC and plans to change the name of the newly formed company back to TAM Ceramics. AAH will honor all existing contract terms and conditions stated in the Ferro contracts, with plans to build up the company over the next three years to meet the employment thresholds in those contracts. Ferro requests that the Trustees transfer its hydro allocations from the Niagara facility to AAH.

“Homogenous Metals Inc. (‘Homogenous Metals’), located in Clayville, Oneida County, is a wholly owned subsidiary of United Technologies Corporation. Homogenous Metals was founded in the mid-1960s. The company manufactures super alloy metal powders used in military and commercial aircraft engines, in addition to the space shuttle engines. The company is changing its name only, without any ownership change, to HMI Metal Powders. The Trustees approved 500 kW PFJ allocation with 109 jobs at their January 27, 1998 meeting. The allocation was extended, with 518 jobs, by the Trustees at their meeting on January 30, 2001. At their February 23, 2005 meeting, the Trustees extended the allocation, with 108 jobs, through December 31, 2005. At their September 20, 2005 meeting, the Trustees extended the allocation, with 109 jobs, through December 31, 2006. At their October 24, 2006 meeting, the Trustees extended the allocation was extended through June 30, 2007. At their June 26, 2007 meeting, the Trustees extended the allocation, with 106 jobs, through June 30, 2008. The company requests that the Trustees approve its name change for contractual purposes.

“Orion Bus Industries, Inc. (‘Orion’) located in Oriskany, Oneida County, has been in business since 1982, and manufactures heavy-duty state-of-the-art transit buses. The Trustees approved the company for a 700 kW EDP allocation with 463 jobs at their August 28, 1990 meeting. At their September 28, 1998 meeting, the Trustees approved a 300 kW PFJ allocation with 775 jobs. At their April 27, 1999 meeting, the Trustees adjusted the PFJ allocation employment commitment to 644 jobs. The Trustees extended the PFJ allocation at their April 17, 2001 meeting. At their February 23, 2005 meeting, the Trustees extended the PFJ allocation, with 596 jobs, through December 31, 2005. The Trustees extended the PFJ allocation, with 250 kW and 508 jobs, through December 31, 2006 at their meeting on September 20, 2005. At their meeting of January 31, 2006, the Trustees reinstated the PFJ allocation to 300 kW. The Trustees extended the PFJ allocation, with 523 jobs, through June 30, 2007 at their November 28, 2006 meeting and then extended it through June 30, 2008, with 571 jobs, at their June 26, 2007 meeting. The EDP allocation was extended through December 31, 2006 by the Trustees at their September 20, 2005 meeting and Orion was granted ECSBs for this period, with an employment commitment of 507 jobs. The EDP allocation was extended through June 30, 2007, with ECSBs, by the Trustees at their November 28, 2006 meeting, with 523 jobs. At their June 26, 2007 meeting, the Trustees extended the EDP allocation through June 30, 2008 with ECSBs, with 571 jobs. The company requests that the Trustees change their name for contractual purposes to DaimlerChrysler Commercial Buses North America Inc. The company changed its name only, without any ownership change, in September 2006.

“Silver Eagle Technology Inc. (‘Silver Eagle’) located in North Tonawanda, Niagara County, started in Pennsylvania in 2003. The company recovers tungsten carbide and cobalt raw materials from used carbide tools and worn parts. The powders produced are then reused by the carbide manufacturers. The Trustees approved a 600 kW RP allocation at their meeting on September 26, 2006 in return for a commitment to create 15 jobs. Silver Eagle has

not taken its allocation down yet. The company wanted to have a New York corporation run the business instead of a Pennsylvania corporation, so it established a New York corporation called Bestung Carbide, Inc. The ownership has not changed. The company will honor all commitments associated with its RP allocation. Silver Eagle requests that the Trustees transfer the allocation to the new corporation.

RECOMMENDATION

“The Director – Business Power Allocations, Compliance and Municipal and Cooperative Marketing recommends that the Trustees approve the transfer of power allocations for three existing customers that have changed their names or transferred their allocations for various business reasons, approve the transfer of two customers’ existing allocations to their new facilities and approve the transfer of one customer’s allocations to a company that has agreed to maintain the current business operation and commit to the existing terms of the contracts, although the new owner is changing the company name.

“The Executive Vice President, General Counsel and Chief of Staff, the Senior Vice President – Marketing and Economic Development and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Authority hereby authorizes the transfers of six industrial power allocations in accordance with the terms described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

9. **Economic Development Power Programs – Service Tariff Amendments – Notice of Adoption**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve amendments to the Authority’s tariffs for Economic Development Power (‘EDP’), High Load Factor (‘HLF’) and Industrial Economic Development served by Municipal Distribution Agencies (‘IED/MDA’) (collectively, the ‘Power Programs’) to increase rates for certain of the Power Program customers that have been recently authorized by the Trustees to receive Energy Cost Savings Benefit Awards (‘ECSB Awards’). These customers have long-term price commitments that expire on October 31, 2007. This action is necessary to be in compliance with legislation passed in June 2007 that extends the ECSB Awards to these customers. In the absence of this legislation, they would be billed at market supply costs as of November 1, 2007. The proposed rates reflect the increased costs incurred by the Authority to serve these Power Program customers, partially offset by receipt of such ECSB Awards.

BACKGROUND

“In June 2007, the Legislature passed the second extension of the ECSB Awards. The amendment was signed into law by the Governor on June 29, 2007. The legislation extended the ECSB Awards expiration date from June 30, 2007 to June 30, 2008. ECSB-eligible customers are those whose power prices may be subject to increase before June 30, 2008.

“At their June 26, 2007 meeting, the Trustees took steps to implement the 2007 amendment to the Public Authorities Law. Specifically, the Trustees approved contract extensions for 66 Power Program customers to June 30, 2008; these customers’ contracts were to have expired before that date. Second, the Trustees approved the Economic Development Power Allocation Board (‘EDPAB’) recommendation that all Power Program customers be approved for ECSB benefits, subject to subsequent verification. Finally, that agenda item noted that those customers with price protection expiring on October 31, 2007 would be subject to an 11.3% delivered rate increase effective November 1, 2007 (the subject of today’s item) consistent with the October 19, 2005 Trustees’ action that approved an 11.3% delivered rate increase for the initial ECSB recipients.

DISCUSSION

“At their July 31, 2007 meeting, the Trustees authorized the Corporate Secretary to file a Notice of Proposed Rulemaking of the Authority’s proposed action to amend the tariffs with the New York State Department of State for publication in the *New York State Register*. On August 14, 2007, the customers newly eligible for ECSB awards were provided written notice of both the proposed rates and a public forum on September 18, 2007 in the Authority’s White Plains office. On August 15, 2007, the Notice of Proposed Rulemaking and a notice concerning the public forum were published in the *State Register*. At the September 18th public forum, no party made any comments on the record. In addition, no written comments were received during the statutory comment period, which expired on Monday, October 1, 2007.

“Exhibit ‘9-A’ shows the rates for the newly approved ECSB customers that have pricing protection ending October 31, 2007. These rates will be effective November 1, 2007 through June 30, 2008. The applicable tariffs are: ST-1, ST-1S, ST-35 and ST-50. In the absence of either another program extension or the implementation of a permanent power program, customers that have contracts beyond June 30, 2008 will be subject to market-based supply costs beginning July 1, 2008.

“Since the beginning of the ECSB Awards, Authority staff has monitored the negative differential between the costs to the Authority for purchased power to supply the customers and customer revenues at the ECSB rates. These customer-related costs and the offsetting hydro revenues have been periodically reported to senior management. From the inception of the ECSB Awards in November 2005 through July 2007, customer-related costs have been \$37.4 million. This is offset by \$44.6 million of hydro revenues, bringing the total net to a positive \$7.2 million. With the addition of 32 new customers with ECSB Awards, customer-related costs will increase,

Table III

**NEW YORK POWER AUTHORITY
BUSINESS CUSTOMERS
RATES APPLICABLE TO SERVICE TARIFFS NOS. 1, 1S, 35 AND 50
Effective November 1, 2007 to June 30, 2008**

<u>Rate Category</u>	<u>Local Service Territory/Customer</u>	<u>Service Tariff</u>	<u>Demand Rate</u> \$/kW	<u>Energy Rate</u> mills/kWh
<u>CON EDISON</u>				
CE 2.2	American International Group, Inc.	35	10.00	30.00
	CBS Inc.	35	10.00	30.00
CE 2.3	Excelsior Transparent Bag Manufacture	35	10.00	29.25
CE 2.4	Citigroup	1S	10.00	28.60
	Hunts Point Cooperative Market, Inc.	35	10.00	28.60
	J.J. Cassone Bakery, Inc.	1S	10.00	28.60
	National Broadcasting Company, Inc.	35	10.00	28.60
CE 2.5	Tyco Plastics (formerly World Class Film)	35	10.00	28.27
<u>LIPA</u>				
LIPA 2.1	Fortunoff	35	10.50	27.50
LIPA 2.2	Burton Industries, Inc.	1S	8.80	31.55
	Island Container Corp.	1S	8.80	31.55
	Oceanside Laundry	35	8.80	31.55
LIPA 2.3	Angelica Textile Services	1S	9.00	30.24
	Kozy Shack, Inc.	1S	9.00	30.24
LIPA 2.4	Ellanef Manufacturing Corporation	35	8.16	31.60
	General Semiconductor, Inc.	1S	8.16	31.60
LIPA 2.5	GKN Aerospace Monitor (Stellex)	1S	9.85	27.61
	NBTY, Inc.	1S	9.85	27.61
LIPA 2.6	Newsday, Inc.	1S, 35	9.85	26.96
<u>NIMO</u>				
NIMO 2.1	Metropolitan Life Insurance Company	50	10.00	26.55
	SCA Tissue	1S	10.00	26.55
NIMO 2.2	Air Products and Chemicals, Inc.	1	10.00	26.10
	Harden Furniture Company	50	10.00	26.10
	Mele Manufacturing (Farrington Packg.)	50	10.00	26.10
NIMO 2.3	DOT Foods	50	10.00	25.60
	Granny's Kitchens	50	10.00	25.60
	The Fountainhead Group, Inc.	50	10.00	25.60
	Oak-Mitsui, Inc.	50	10.00	25.60
NIMO 2.4	Revere Copper Products	50	9.00	27.32
<u>NYSEG</u>				
NYSEG 2.2	Endicott Interconnect Technologies	50	9.60	26.94
NYSEG 2.3	Tessy Plastics Corp.	50	9.50	26.40
	Tran selco Div. of Ferro Corp.	50	9.50	26.40

while the source of hydro revenues will remain constant. Staff will continue to track and report the net results and anticipates that future withdrawals of monies from the Operating Fund may be required for the payment of such awards. The withdrawals should be made provided that such monies are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations.

FISCAL INFORMATION

“The 11.3% rate increase effective November 1, 2007 is expected to produce an estimated \$3.7 million for the eight-month period through June 30, 2008. The total cost to the Authority for the same period is estimated to be \$5.4 million.

RECOMMENDATION

“The Manager - Market and Pricing Analysis recommends that the attached schedules of tariff amendments be approved.

“The Manager - Market and Pricing Analysis further recommends that the Corporate Secretary be authorized to publish a Notice of Adoption of this action in the *New York State Register*.

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President and Chief Financial Officer, the Senior Vice President – Marketing and Economic Development and I concur in the recommendations.”

Marilyn Brown presented the highlights of staff’s recommendations to the Trustees. In response to a question from Chairman McCullough, Ms. Brown said that the Authority will be absorbing \$1.7 million in costs as a result of these service tariff amendments.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, on July 31, 2007, the Trustees authorized the Corporate Secretary to file a Notice of Proposed Rulemaking to amend certain tariffs to increase total rates by 11.3% effective November 1, 2007 and approve funding of the Energy Cost Savings Benefit (“ECSB”) Awards in order to offset the cost of electrical commodity supply incurred for serving customers of the Authority’s Economic Development Power, High Load Factor and Industrial Economic Development programs; and

WHEREAS, such notice was duly published in the *New York State Register* on August 15, 2007 and more than 45 days have elapsed since such publication; and

WHEREAS, no public comments were received at the public forum held on September 18, 2007 and no written comments in response to the proposed action have been received by the Authority;

NOW THEREFORE BE IT RESOLVED, That the proposed tariff amendments be increased, based on total delivered rates, by 11.3%, effective November 1, 2007, subject to the availability of funds in the ECSB Awards; and be it further

RESOLVED, That the Senior Vice President – Marketing and Economic Development or his designee be, and hereby is, authorized to take such other and further actions as may be necessary to effectuate the foregoing; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, authorized to file a Notice of Adoption of this action with the Department of State for publication in the *New York State Register*; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

October 30, 2007

NIMO 2.4	Revere Copper Products	5	0	9.00	27.32
	NYSEG				
NYSEG 2.2	Endicott Interconnect Technologies	5	0	9.60	26.94
NYSEG 2.3	Tessy Plastics Corp.	5	0	9.50	26.40
	Transelco Div. of Ferro Corp.	5	0	9.50	26.40

10. Governmental Customers – Consolidation of Service Tariffs – Notice of Adoption

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to take final action to approve the consolidation of the Authority’s current production and delivery service tariffs applicable to New York City Governmental Customers and Westchester County Governmental Customers (collectively, ‘Governmental Customers’) into two consolidated single tariffs (each a ‘Single Tariff’ and collectively ‘Single Tariffs’). One Single Tariff (attached as Exhibit ‘10-A’) would be for the New York City Governmental Customers and the other (attached as Exhibit ‘10-B’) would be for the Westchester County Governmental Customers.

BACKGROUND

“At their June 26, 2007 meeting, the Trustees directed the Corporate Secretary to file a Notice of Proposed Rulemaking (‘NOPR’) with the New York State Department of State for publication in the *New York State Register* that the Authority proposed to consolidate the Authority’s current production and delivery service tariffs into two Single Tariffs. The NOPR was published in the *New York State Register* on July 11, 2007. The public comment period closed on August 27, 2007, in accordance with the State Administrative Procedure Act (‘SAPA’). In addition, all governmental customers were notified of the proposed Single Tariffs and invited to review and submit comments.

DISCUSSION

“The City of New York (‘City’) filed formal written comments in accordance with SAPA, which are attached as Exhibit ‘C.’ No other comments were received. Staff has reviewed the City’s written comments and has substantially accepted their recommendations. Staff’s recommendations will be incorporated into the Single Tariffs.

“Following is a summary of the comments and staff’s response.

Issue 1: Rider A - Schedule of Rates for Back-up and Maintenance Power (Section III)

“The City commented that even though the Authority does not serve any customer under Rider A, Rider A should be continued for customers that do install on-site generation facilities. Staff agrees with the City’s comment and recommends continuing the use of Rider A.

“The City commented that the Authority should consider amending Rider A to allow the Authority to negotiate discounted Rider A rates where applicable, as many other utilities do. Staff recommends that until a rate redesign study is performed, the production rates stated in Rider A in the Single Tariffs be updated to reflect appropriate production rate increases approved by the Trustees since 2004.

“The City commented that the tariffs, as written, are unclear in that it may be interpreted that Rider A is a charge in addition to the rates and charges specified for each service classification. The City recommended that the Authority remove all references to Rider A in each service classification and then clarify in Rider A that the back-up charges provided in Rider A are designed to be alternative to the rates and charges specified for each service classification.

“In response to the City’s comments, staff recommends a change in the statement in Section IV of the Single Tariffs, from ‘Rates and charges under this Service Classification may be subject to Rider A’ to ‘If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.’ Staff also recommends that in Rider A of the Single Tariffs, the following language be included in the Applicability section: “The rates and charges shown below are substitute rates to the rates and charges specified in Section IV of this tariff.’

Table III

**NEW YORK POWER AUTHORITY
BUSINESS CUSTOMERS
RATES APPLICABLE TO SERVICE TARIFFS NOS. 1, 1S, 35 AND 50
Effective November 1, 2007 to June 30, 2008**

<u>Rate Category</u>	<u>Local Service Territory/Customer</u>	<u>Service Tariff</u>	<u>Demand Rate</u> \$/kW	<u>Energy Rate</u> mills/kWh
<u>CON EDISON</u>				
CE 2.2	American International Group, Inc.	35	10.00	30.00
	CBS Inc.	35	10.00	30.00
CE 2.3	Excelsior Transparent Bag Manufacture	35	10.00	29.25
CE 2.4	Citigroup	1S	10.00	28.60
	Hunts Point Cooperative Market, Inc.	35	10.00	28.60
	J.J. Cassone Bakery, Inc.	1S	10.00	28.60
	National Broadcasting Company, Inc.	35	10.00	28.60
CE 2.5	Tyco Plastics (formerly World Class Film)	35	10.00	28.27
<u>LIPA</u>				
LIPA 2.1	Fortunoff	35	10.50	27.50
LIPA 2.2	Burton Industries, Inc.	1S	8.80	31.55
	Island Container Corp.	1S	8.80	31.55
	Oceanside Laundry	35	8.80	31.55
LIPA 2.3	Angelica Textile Services	1S	9.00	30.24
	Kozy Shack, Inc.	1S	9.00	30.24
LIPA 2.4	Ellanef Manufacturing Corporation	35	8.16	31.60
	General Semiconductor, Inc.	1S	8.16	31.60
LIPA 2.5	GKN Aerospace Monitor (Stellex)	1S	9.85	27.61
	NBTY, Inc.	1S	9.85	27.61
LIPA 2.6	Newsday, Inc.	1S, 35	9.85	26.96
<u>NIMO</u>				
NIMO 2.1	Metropolitan Life Insurance Company	50	10.00	26.55
	SCA Tissue	1S	10.00	26.55
NIMO 2.2	Air Products and Chemicals, Inc.	1	10.00	26.10
	Harden Furniture Company	50	10.00	26.10
	Mele Manufacturing (Farrington Packg.)	50	10.00	26.10
NIMO 2.3	DOT Foods	50	10.00	25.60
	Granny's Kitchens	50	10.00	25.60
	The Fountainhead Group, Inc.	50	10.00	25.60
	Oak-Mitsui, Inc.	50	10.00	25.60
NIMO 2.4	Revere Copper Products	50	9.00	27.32
<u>NYSEG</u>				
NYSEG 2.2	Endicott Interconnect Technologies	50	9.60	26.94
NYSEG 2.3	Tessy Plastics Corp.	50	9.50	26.40
	Tran selco Div. of Ferro Corp.	50	9.50	26.40

“The City asked to define two terms that are not defined in Rider A in the Energy Charge Adjustment (‘ECA’) section, ‘Base Average Energy Cost’ and ‘Base Incremental Energy Cost.’ Staff recommends that the ECA provision under Rider A be subject to the same ECA provision described in the Single Tariffs (Section VI.A). Accordingly, for Rider A, all components for calculating the ECA are included in Section VI.A. The ECA language in Rider A in the Single Tariffs was modified to reflect this recommendation.

Issue 2: Calculation of the Bill - Components of the Bill (Section III.A)

“The City commented that the Authority’s use of the term ‘other’ was used in two different contexts: as one of three general types of charges (Production, Delivery Service and Other) and then as a component of Delivery Service that is measured in ‘Charge Units’ of \$/kW-month. With respect to the use of ‘other’ as a Bill Component of the Delivery Service Charge, the City suggested replacing the Charge Units (\$/kW-month) with ‘various’ since the charge units may vary depending on the type of cost being recovered. Staff agrees with, and recommends this change in the Single Tariffs.

Issue 3: General Provisions Applicable to Production - Minimum Bill (Section VI.B)

“The City recommends that the Authority clarify when and how it will determine to issue a minimum bill for unmetered service. Staff views that the purpose of the NYC Single Tariff is not to address how and when data are collected but how the calculation is done. Therefore, Staff believes that the language in the NYC Single Tariff is clear on the calculation, however recommends clarifying language on how unmetered service charges will be applied.

“The City commented that there should be language in the termination-of-service provision conditioning termination of service on the requirements of the Customer Supply Contract. Staff agrees with the City’s comment and recommends that the language ‘Unless otherwise provided in the Customer Supply Contract’ be included in the Termination of Service paragraph of the Minimum Bill provision in the NYC Single Tariff.

Issue 4: Common Provisions - Rules and Regulations (Section V.A)

“The City suggested the overriding effect of the Long Term Agreement (‘LTA’) (with NYC Governmental Customers) be acknowledged. Staff agrees with the City’s comment regarding the potential conflicts with the LTA and recommends adding a third paragraph to Section V.A of the NYC Single Tariff as follows: “In the event of any inconsistencies, conflicts or differences between any provisions of the 2005 Long Term Agreement and any of the agreements or documents referenced in Section V, Common Provisions A.1 and 2, the provisions of the 2005 Long Term Agreement shall govern.” Staff also recommends adding similar language to the Westchester County Service Tariff, as appropriate.

“Staff recommends that these proposed Single Tariffs go into effect January 1, 2008 along with the 2008 production rates that will be presented to the Trustees for their approval at their December 2007 meeting.

FISCAL INFORMATION

“Adoption of the proposed Single Tariffs has no financial impact. The changes proposed are administrative changes and have no effect on current production or delivery service rates.

RECOMMENDATION

“The Manager – Power Contracts recommends that the attached Single Tariffs be approved and that the Trustees authorize the Corporate Secretary to file a Notice of Adoption with New York State Department of State for publication in the *New York State Register* for the adoption of the Single Tariffs for the Authority’s New York City and Westchester County Governmental Customers.

“It is also recommended that the Senior Vice President – Marketing and Economic Development, or his designee, be authorized to issue notice of final action to the affected customers.

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President and Chief Financial Officer, the Senior Vice President – Marketing and Economic Development and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees adopt the consolidation of the Authority’s current production and delivery services tariffs applicable to its Governmental Customers, as set forth in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file a Notice of Adoption with the New York State Department of State for publication in the *New York State Register* in accordance with the State Administrative Procedure Act and to submit such other notice(s) as may be required by statute or regulation concerning the proposed tariff consolidation; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City
Governmental Customers

Service Tariff No. 100

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

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Electric Service Tariff for New York City Governmental Customers

I. Applicability

To sale of firm power and energy by Authority to public Customers (and associated Accounts) located within the City of New York in accordance with the third unnumbered paragraph of Section 1005 of the Power Authority Act (Public Authorities Law § 1005) who receive Delivery Service through the Utility in whose franchise area such Customers' facilities are located.

II. Frequently used Abbreviations and Terms

A. The following abbreviations are used:

kW	kilowatt(s)
kWh	kilowatt-hour(s)
kVa	kilovolt-amperes
NYPA	New York Power Authority
NYISO	New York Independent System Operator
mo.	Month
TOD	Time-of-Day
GRT	Gross Receipts Tax

B. The term "Account (s)" means a metered or billed location based on Customer billing characteristics.

C. The term "Authority" means New York Power Authority, an alternative name for the Power Authority of the State of New York.

D. The term "Customer" means a governmental customer in the metropolitan area of the City of New York served under this Service Tariff by the Authority in accordance with the third unnumbered paragraph of Section 1005 of the Power Authority Act. For the purposes of this Service Tariff, the term Customer does not include a governmental customer in the County of Westchester but includes facilities in Westchester belonging to Customer.

E. The term "Customer Supply Contract" means the agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Customer Supply Contract includes the Application for Electric Service and the 2005 Long Term Agreement.

Date of Issue: January 1, 2008

Date Effective: _____

- F. The term "Delivery Service" means the service that Authority procures from Utility on behalf of Authority's governmental customers.
- G. The term "High Tension" means High Tension Alternating Current – 60 cycles (Frequency and voltages shown are approximate):
- Three phase at 2,400/4,150 volts
 - Three phase at 3,000/7,800 volts
 - Three phase at 6,900 volts
 - Three phase at 13,200 volts
 - Three phase at 26,400 volts
 - Three phase at 33,000 volts
 - Single phase and three phase at 2,400 volts
 - Three phase at 69,000 volts
 - Three phase at 138,000 volts
- H. The term "Low Tension" means Low Tension Alternating Current – 60 cycles (Frequencies and voltages shown are approximate):
- Three phase at 120/208 volts
 - Single phase at 120/240 volts
 - Three phase at 265/460 volts
 - Three phase at 240 volts
 - Two phase at 120/240 or 230 or 240 volts
- I. The term "Production" means Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.
- J. The term "Rules" means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.
- K. The term "Service Tariff" means this Service Tariff No. 100
- L. The term "Third-Party Supplier" means a supplier of power and energy other than Authority.
- M. The term "Utility" means Consolidated Edison Company of New York, Inc. which provides Delivery Service to any Customer purchasing firm power and energy under this Service Tariff.

III. Calculation of the Bill

A. Components of the Bill

The bill may be composed of the following components, as applicable:

<u>Types of Charges</u>	<u>Bill Components</u>	<u>Charge Units</u>	<u>Billing Determinants</u>
Production	Demand	\$/kW-month	kW
	Base Energy	¢/kWh	kWh
	Energy Charge Adjustment	¢/kWh	kWh
Delivery Service	Customer or Delivery point	\$ per month	# of Accounts
	Demand	\$/kW-month	kW
	Energy	¢/kWh	kWh
	Other	various	various
	Taxes	% or percent	on pre-tax bill
Other	Surcharges or credits	various	n/a
	Adjustments/Reconciliations	various	n/a

B. Bill Computation

For each Customer Account, the bill shall be equal to the sum of the product of the unit charge for each applicable Bill Component and its respective Billing Determinant. The total Customer bill shall be the aggregate of all Customer Accounts and shall have both Production and Delivery Service charges. If a Minimum Bill applies (see Section VI, General Provision B) the Customer bill shall be computed accordingly.

C. Defined Billing Terms of Production and Delivery

The following type of rates and conditions are applicable to Production and Delivery Service.

1. Conventional Monthly Rates shall apply to all Accounts except those billed under Time-of-Day ("TOD") Rates.
2. TOD Rates shall apply to:
 - Any Account whose maximum demand exceeds 1,500 kW in any annual period ending September 30;

- Any new Account whose monthly maximum demand in the Authority's estimate will exceed 1,500 kW during the first year of service; and
 - Successors of Accounts referred to above if eligible for Authority service
3. Any Account billed under TOD Rates shall be transferred to and billed under Conventional Rates when the Account's monthly maximum demand does not exceed 900 kW for 12 consecutive months, provided however, that TOD Rates shall apply to any Account with multiple meters whose demand meter registrations, when added together for billing purposes, would qualify for these TOD Rates under any of the criteria listed in this Section and at least one of the Customer's meters registers 500 kW or more in any month in any annual period ending September 30.
 4. For Accounts transferring from Conventional Rates to TOD Rates, the first bill under TOD Rates shall be rendered when an Account's entire usage for the billing period is subsequent to December 31 of the annual period ending September 30 in which the Account becomes subject to TOD Rates.

Date of Issue: January 1, 2008

Date Effective: _____

IV. Rates and Charges

Service Classification No. 62 General Small

Applicability: To use of service for light, heat and power used for general uses where the Account's requirements do not exceed 10 kW.

Production		
<u>Conventional</u>		
Energy	cents/kWh	10.160
Delivery Service		
		<u>Low Tension</u>
<u>Conventional</u>		
First 10 kWh	cents/kWh	103.51
Next 890 kWh	cents/kWh	9.400
900 kWh and above	cents/kWh	7.930
<u>Surcharges for Direct-Current Service</u>		
Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:		
>Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006		\$7,599.00
>Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006		\$49.00
>Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006		\$2.31

- Time Period Conventional: All hours, all days
- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (2.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 64
Commercial & Industrial Redistribution**

Applicability: To use of service for light, heat and power for multiple-tenanted commercial or industrial buildings where the Account's requirements are in excess of 10 kW.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$13.85	\$11.38	-
Energy	cents/kWh	5.229	7.541	4.171

Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Conventional</u>			
First 100 kW of maximum demand	\$/kW-mo.	\$18.29	\$16.46
Next 200 kW of maximum demand	\$/kW-mo.	\$16.06	\$14.46
Next 9,700 kW of maximum demand	\$/kW-mo.	\$14.40	\$12.94
Next 15,000 kW of maximum demand	\$/kW-mo.	\$13.18	\$11.86
Over 25,000 kW of maximum demand	\$/kW-mo.	\$10.48	\$9.44
<u>Time-of-Day</u>			
Summer (June 1 through September 30)	\$/kW-mo.	\$32.68	\$22.89
Winter (October 1 through May 31)	\$/kW-mo.	\$6.84	\$4.81
<u>Electrotechnologies TOD (not available for new service)</u>	\$/kW-mo.	\$13.77	\$10.06

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

SC 64 – Continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

**Service Classification No. 64 - continued
Commercial & Industrial Redistribution**

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (4.A and 4.B) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 65 Electric Traction Systems and Platform Lighting

Applicability: To use of service for light, heat and power for electric traction purposes and miscellaneous uses in connection with the operation of a railroad or rapid transit system, where the Account's requirements are in excess of 10 kW.

Production			
		<u>Conventional</u>	
Demand	\$/kW-mo.	\$10.23	
Energy	cents/kWh	6.036	
Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Conventional</u>			
First 100 kW of maximum demand	\$/kW-mo.	\$19.60	\$17.64
Next 100 kW of maximum demand	\$/kW-mo.	\$18.41	\$16.57
Over 200 kW of maximum demand	\$/kW-mo.	\$10.94	\$9.84

- Time Period Conventional: All hours, all days
- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (4.A and 4.B) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 68
 Multiple Dwellings - Redistribution**

Applicability: To use of service for light, heat and power for multiple dwellings where the Account's requirements are in excess of 10 kW.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$12.23	\$10.98	-
Energy	cents/kWh	5.395	7.796	4.269
Delivery Service				
		<u>Low Tension</u>	<u>High Tension</u>	
<u>Conventional</u>				
Demand	\$/kW-mo.	\$15.72	\$14.14	
<u>Time-of-Day</u>				
Summer (June 1 through September 30)	\$/kW-mo.	\$34.43	-	
Winter (October 1 through May 31)	\$/kW-mo.	\$7.23	-	

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

➤ **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.

➤ **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (8.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

➤ If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 69
General Large**

Applicability: To use of service for light, heat and power for general uses where the Account's requirements are in excess of 10 kW.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$10.10	\$8.35	-
Energy	cents/kWh	5.651	8.063	4.200

Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Conventional</u>			
First 1,300 kW of maximum demand	\$/kW-mo.	\$16.22	\$14.61
Over 1,300 kW of maximum demand	\$/kW-mo.	\$14.74	\$13.27
<u>Time-of-Day</u>			
Summer (June 1 through September 30)	\$/kW-mo.	\$36.23	\$25.38
Winter (October 1 through May 31)	\$/kW-mo.	\$7.50	\$5.24
Electrotechnologies TOD (not available for new service)	\$/kW-mo.	\$13.77	\$10.06

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

- >Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006 \$7,599.00
- >Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006 \$49.00
- >Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006 \$2.31

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

SC 69 – Continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 69 - continued
General Large

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (9.A and 9.B) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 80 New York City Public Street Lighting

Applicability: To use of service for lighting of public streets, thoroughfares, parks and parkways; operation of traffic control signals, fire alarm signals, warning and directional signs for all service supplied to the City of New York for public purposes.

Production

Conventional

Demand	\$/kW-mo.	\$11.14
Energy	cents/kWh	5.379

Delivery Service

Conventional

Demand Charge		
For each watt of billing demand	cents/watt	1.518

Energy Charge		
For lamps burning outside the dusk to dawn schedule, for the hours burned outside the schedule	cents/kWh	9.00

Facilities Charge		
For each point of service termination, where the Utility's electrical system is connected to the City's lighting unit or to a lighting circuit owned by the City	per month	\$5.56

- Time Period Conventional: All hours, all days
- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (6.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 82 Multiple Dwellings Space Heating

Applicability: To use of service for light, heat and power used in a multiple dwelling in which the entire space heating requirements of the residential tenants are supplied by the use of electricity as determined by the Utility providing Delivery Service.

Production				
			<u>Time-of-Day</u>	
			<u>Conventional</u>	<u>On-Peak</u> <u>Off-Peak</u>
Demand	\$/kW-mo.	\$12.23	\$10.98	-
Energy	cents/kWh	5.395	7.796	4.269

Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Seasonal Delivery Charges</u>			
Summer (June 1 through September 30)			
First 50 kW of maximum demand	\$/kW-mo.	\$18.45	\$16.60
Next 250 kW of maximum demand	\$/kW-mo.	\$15.14	\$13.63
Over 300 kW of maximum demand	\$/kW-mo.	\$14.02	\$12.63
Winter (October 1 through May 31)			
First 50 kW of maximum demand	\$/kW-mo.	\$14.77	\$13.28
Next 250 kW of maximum demand	\$/kW-mo.	\$11.18	\$10.07
Over 300 kW of maximum demand	\$/kW-mo.	\$8.81	\$7.90

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

➤ **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.

SC 82 – continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

**Service Classification No. 82 - continued
Multiple Dwellings Space Heating**

- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (12.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 85s
Transit Substation**

Applicability: To use of service for light, heat and power for general uses at MTA-New York City Transit Accounts where Account's requirements are in excess of 10 kW.

Production			
		<u>Conventional</u>	
Demand	\$/kW-mo.	\$11.39	
Energy	cents/kWh	5.558	
Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Conventional</u>			
First 100 kW of maximum demand	\$/kW-mo.	\$21.93	\$19.73
Next 100 kW of maximum demand	\$/kW-mo.	\$17.23	\$15.51
Next 89,800 kW of maximum demand	\$/kW-mo.	\$8.32	\$7.51
Over 90,000 kW of maximum demand	\$/kW-mo.	\$2.35	\$2.11

- Time Period Conventional: All hours, all days
 - **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
 - **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.
- The current Special Provisions (15.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.
- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 88
World Trade Center**

NO LONGER IN USE

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

**Service Classification No. 91
New York City Public Buildings**

Applicability: To use of service for light, heat and power for the City of New York's public buildings, offices and structures, or parts thereof, used by the City of New York for public purposes.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$10.32	\$8.47	-
Energy	cents/kWh	5.980	8.658	4.233

Delivery Service				
		<u>Low Tension</u>	<u>High Tension</u>	
<u>Conventional</u>				
For each kW of demand	\$/kW-mo.	\$13.77	-	
<u>Time-of-Day</u>				
Summer (June 1 through September 30)	\$/kW-mo.	\$26.82	\$18.76	
Winter (October 1 through May 31)	\$/kW-mo.	\$5.63	\$3.94	
Electrotechnologies TOD (not available for new service)	\$/kW-mo.	\$13.77	\$10.06	

Unmetered Fire Alarm and Signal Systems

For the operation of interior fire alarm or signal systems not connected to the metered supply for the building and where separate service is supplied.

- a) For service connection -- \$ per month \$64.83
- b) For each gong or signal circuit or combination of gong or signal circuits, in which there is a continuous flow of current of not over 125 milliamperes, the voltage of the supply being approximately 120 volts or the equivalent (taken as 15 volt-amperes) at other supply voltages -- \$ per month \$4.44
- c) For each additional 125 milliamperes (or equivalent) of continuous flow, or traction thereof, an additional charge of -- \$ per month \$4.44

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

- >Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006 \$7,599.00
- >Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006 \$49.00
- >Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006 \$2.31

SC 91 – continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 91 - continued
New York City Public Buildings**

- Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (11.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 93
 New York City Public Buildings - Schools**

Applicability: To furnish electrical energy for all the light, heat and power requirements of a City of New York school for the billing period in the months of October to May inclusive.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$10.32	\$8.47	-
Energy	cents/kWh	5.980	8.658	4.233

Delivery Service		
		<u>Low Tension</u>
<u>Conventional</u>		
For each kW of demand	\$/kW-mo.	\$3.93
<u>Time-of-Day</u>		
Summer (June 1 through September 30)	\$/kW-mo.	\$26.82
Winter (October 1 through May 31)	\$/kW-mo.	\$2.10

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

- >Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006 \$7,599.00
- >Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006 \$49.00
- >Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006 \$2.31

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

- On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)
- Off-Peak: All other times

Energy Charge:

- On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)
- Off-Peak: All other times

SC 93 – continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
 Power Authority of the State of New York
 30 South Pearl Street, Albany, NY 12207

**Service Classification No. 93 - continued
New York City Public Buildings – Schools**

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (11.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 98
New York City Public Buildings – Pollution Control**

Applicability: To use of service for furnishing Production and Delivery Service to City of New York pollution control sewage treatment plants.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$10.32	\$8.47	-
Energy	cents/kWh	5.980	8.658	4.233

Delivery Service			
		<u>High Tension</u>	
<u>Conventional</u>			
For each kW of demand	\$/kW-mo.	\$2.35	
<u>Time-of-Day</u>			
Summer (June 1 through September 30)	\$/kW-mo.	\$5.13	
Winter (October 1 through May 31)	\$/kW-mo.	\$1.09	

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

- >Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006 \$7,599.00
- >Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006 \$49.00
- >Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006 \$2.31

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

SC 98 – continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 98 - continued
New York City Public Buildings – Pollution Control

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (11.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

V. Common Provisions

A. Rules and Regulations

1. The Rules are hereby incorporated into this Service Tariff with the same force and effect as if herein set forth at length, except as may be noted herein. In the event of any inconsistencies, conflicts or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. Section 454.6 (d) of the Rules shall not be applicable to service hereunder.

2. The supply of service hereunder to Customer is subject to the provisions of the Service Agreement for the Delivery of Power and Energy ("Service Agreement") and the Planning and Supply Agreement ("Planning and Supply Agreement") both dated March 10, 1989, and both between Authority and Consolidated Edison Company of New York, Inc.; and the Consolidated Edison Company of New York, Inc. Delivery Service Rate Schedule Implementing and Part of the Service Agreement as filed with the Public Service Commission and the Federal Energy Regulatory Commission ("PASNY No. 4"), respectively, and as each may be amended and supplemented from time to time. In the event of any inconsistency, conflict or difference between the provisions of this Service Tariff and/or Authority's Rules on the one hand and those contained in PASNY No. 4, the Service Agreement, and/or the Planning and Supply Agreement on the other hand, the provisions of this Service Tariff and Authority's Rules shall govern.

3. In the event of any inconsistencies, conflicts or differences between any provisions of the 2005 Long Term Agreement and any of the agreements or documents referenced in Section V, Common Provisions A.1 and 2, the provisions of the 2005 Long Term Agreement shall govern.

B. Character of Service

Alternating current; 60 hertz; 3 phase

C. Power Factor

Power factor is the ratio of real power (kW) to apparent power (kVA) for any given load and time. Authority may require Customer to maintain a power factor of not less than 90%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Notice of Adjustments in Charges

Adjustments for NYC Governmental Customers will occur in accordance with the Annual Planning and Pricing Process (described in their 2005 Long Term Agreements with Authority) to establish new rates effective January 1 of the following year.

E. Customer Requirements for Production and Delivery Service

1. Provision of Production Service

From time to time, Authority will accept requests for Production service from existing or prospective Authority Customers. Authority will notify Utility when Authority has accepted any new Customer and its associated Accounts and when Authority accepts a new Account(s) of an existing Customer. Authority will notify Utility of the time in which it will initiate Production service to such Accounts.

(a) With respect to Accounts transferred from Utility: Utility has agreed (in the Service Agreement) to transfer service of the Accounts which are the customers of Utility to Authority, free of any limitations on termination of contract which would otherwise apply in the absence of such Agreement, except that Utility shall not be required to transfer service of any Account if such customer is not current on its payment for service from Utility, does not pay promptly its final bill for service, and has not paid its outstanding financial obligations to Utility.

(b) With respect to Accounts to be transferred from Third-Party Supplier: the prospective customer shall be responsible for arranging to terminate its service with its Third-Party Supplier and for the transfer of service to Authority, which termination shall, in the ordinary case, be in accordance with the terms of the prospective customer's service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Prospective customers must, to the extent practicable notify Authority in advance of any transfer of service from Utility or a Third-Party Supplier to Authority or initiation of service that it desires to be made, but in no event will such notice be less than 30 days.

Date of Issue: January 1, 2008

Date Effective: _____

(d) All Customers shall be subject to compliance with all applicable service connection and other requirements of Utility concerning initiation or modification of service as would apply to a similarly situated customer under Utility's applicable tariffs.

2. Provision of Delivery Service

Utility has agreed (in the Service Agreement) to accept power and energy from Authority, and to deliver such power and energy to Authority Customers designated by Authority at such delivery points as the Utility will specify within its franchise area, utilizing Utility's transmission and distribution facilities as available for that purpose. Under such Agreement: (a) Utility and/or Customer may, from time to time, be required to install new or enlarged facilities within the franchise area to serve Customer; (b) Customer is required to coordinate directly with Utility for each requirement for a new delivery point or for enlarged or altered service at any existing delivery point including reinforcement, maintenance or removal applicable thereto; (c) any new, enlarged or altered service or facilities that Utility supplies to its own customers under its effective service schedule or schedules without compensation additional to the standard rate for service shall be similarly available to Authority Customers without payment of compensation beyond the standard rate for Delivery Service provided for that class of Authority Customers; and (d) when the Delivery Service requires facilities for which Utility normally would make a special charge to its own customers or would require the customer to make the installation, Utility shall specify, after discussion with Authority, the additional compensation Customer shall pay to Utility which shall not exceed the compensation which would be payable by a customer of Utility in comparable circumstances; or Customer shall install the needed facilities which shall conform to Utility's specifications and Utility shall permit their connection to its system in accordance with Utility's specifications.

3. Temporary Service

Temporary service, if provided to prospective customers that may become Authority Customers, will not be the responsibility of Authority. Upon installation of the permanent service connection, service to the Account(s) shall be transferred to Authority in accordance with subsections 1 and 2 above and only then shall such Account(s) be the responsibility of Authority.

4. Initiation, Continuance and Termination of Service

a. Unless otherwise provided in the Customer Supply Contract, the following provisions concerning continuance and termination of Service shall apply:

- (1) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.
- (2) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.
- (3) Customer may terminate service at any time after one year's service on written notice to Authority at least thirty-six months in advance.

b. Unless otherwise provided in the Customer Supply Contract, the Minimum Bill provision of this Service Tariff, as defined in Section VI, Provision B, shall apply.

c. Unless otherwise provided in the Customer Supply Contract, Customer may effect a partial termination or reduction of service if such partial termination or reduction results from (a) Account turn-offs; load management; energy conservation; or Customer-supplied generation, or (b) partial transfer of service by Account to a third party, provided that any such transfer in any given calendar year does not exceed 3 percent of the total annual sales to Customer in that calendar year. Such transfer may occur at any time after one year's service on written notice to Authority not less than 120 days in advance, or sooner, if mutually agreeable.

d. Customer shall notify Authority and Utility in writing in advance when service is to be discontinued at an existing Account. Customer shall provide the name and address, if known, of the succeeding owner or occupant of the Account location being discontinued. If Customer desires service from Authority at another location, Customer shall file a request for such service pursuant to Authority's requirements.

5. Transfer of Service

In the event that Customer discontinues Authority electric service in accordance with the provision of this Service Tariff entitled "Initiation, Continuance and Termination of Service", or Authority discontinues electric service to Customer, transfer of such service from Authority to a Third-Party Supplier or Utility shall be effected provided such Customer meets the Third-Party Supplier's or Utility's prerequisites for electric service as set forth in such supplier's filed schedule for electricity service.

6. Redistribution of Electric Service

Customer may not resell, remeter (or submeter), or redistribute electric service to its tenants or occupants in the premises supplied by Authority, unless such is expressly authorized by the Authority and not violative of any statutes, laws, rules or regulations of any body having jurisdiction in the premises.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand shall be the maximum 30-minute integrated demand established during the billing period and for unmetered service the billing demand shall be determined by Authority.

G. Billing Period

Customer meters are generally scheduled to be read by Utility and bills rendered by Authority on a monthly basis, approximately thirty (30) days.

H. Proration of Monthly Rates and Charges

The foregoing rates and charges shall apply to service rendered hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.

I. Payment

1. Bills computed under this Service Tariff are due and payable at the office of Authority within ten (10) days of the date of bill, subject to late payment in accordance with provision 454.6 (b) of the Rules. In the event that there is a dispute on any item of a bill rendered by Authority, Customer shall pay such bill in its entirety within the prescribed period and any necessary adjustments will be made thereafter.

2. Payment of Estimated Bill: Whenever Utility is unable, for whatever reason, to record Customer's meter information for any monthly billing period, Authority will render to Customer an estimated bill for service for such billing period. This bill will be due and payable in accordance with subsection (a) of this Provision I. of this Service Tariff.

Once Customer's meter is read then Authority will render to Customer an actual, final bill approximately twenty (20) days after the conclusion of the billing period in question. Any overpayment or underpayment by Customer for the previous estimated bill, as determined by the actual, final bill for such billing period, will be treated as a credit or charge towards the bill calculated for the succeeding billing period.

J. Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party Supplier

If the total firm power and energy delivered to the Customer is provided partly by Authority and partly by a Third-Party Supplier, then the total charges to the Customer will be pro-rated accordingly (i.e., partly at Authority's rates and partly at Third-Party Supplier's rates).

K. Customer Information for Supply Planning

Unless otherwise provided in the Customer Supply Contract, Customer agrees to cooperate with Authority in providing information on future power and energy requirements as the Authority may request from time to time.

VI. General Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in its Customer Supply Contract with Authority, Customer shall be subject to the following Energy Charge Adjustment ("ECA") provision: The charges for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" (defined below) for the previous month increases or decreases from the "base cost of energy" (defined below).

1. The "base cost of energy" shall be equal to (a) the sum of the projected cost of fuel, purchased power, ancillary services and other NYISO-related charges and hedging costs to be incurred to serve Customer for the calendar year in question, less (b) any projected NYISO capacity, energy, or ancillary service revenues or credits to be received by Authority associated with providing service to Customer, as well as any other projected NYISO credits or revenues associated with providing service to Customer (e.g., as a generator or a load serving entity), including Transmission Congestion Credits and rents associated with transmission paths determined by Authority to be used in serving Customer for the calendar year; all divided by the projected kilowatt hour sales to such Customer for the calendar year.

The "base cost of energy" expressed in dollars per kilowatt hour is \$0.06645. Such base cost may be amended from time to time.

2. The "average cost of energy" shall be equal to (a) the sum of the costs of fuel, purchased power, ancillary services and other NYISO-related charges and hedging costs actually incurred in the previous month to serve Customer, less (b) any NYISO capacity, energy, and ancillary service revenues or credits actually received in the previous month by Authority and associated with the service provided by Authority to Customer as well as any other NYISO credits or revenues actually received by Authority and associated with providing service to Customer (e.g., as a generator or a load serving entity), including Transmission Congestion Credits and rents associated with transmission paths determined by Authority to be used in serving Customer; all divided by the total kilowatt hours sold to such Customer for such previous month.

The "average cost of energy" as determined hereinabove will be adjusted from time to time as determined by Authority to permit reconciliation of revenues derived from Energy Charge Adjustments billed to Customer in prior billing periods with energy-related costs applicable to such billing periods.

3. The "ECA Factor" is the difference between the average cost of energy including adjustments, and the base cost of energy. The ECA Factor shall be added to or subtracted monthly from the charges for electric service to Customer. It will be shown monthly in the Statement of ECA Factor. A copy of the current Statement of ECA Factor will be available upon request.

B. Minimum Bill

1. Unless otherwise provided in the Customer Supply Contract, each Customer Account shall be responsible for a Production minimum charge as follows. Production minimum bill shall be exclusive of any minimum charges applicable to Delivery Service.

Demand Metered Service - Accounts where usage is measured by both demand and energy meters. The minimum charge shall be equal to three-quarters (75%) of the product of the demand rate applicable to the Account and the maximum metered demand from the previous twelve months for that Account.

Demand Unmetered Service - Accounts that are unmetered and billed for demand and energy. The minimum charge shall be equal to three-quarters (75%) of the product of the demand rate applicable to the Account and the maximum monthly billing demand from the previous twelve months for that Account.

Energy Metered Service – Accounts where usage is measured by energy meters alone. The minimum charge shall be equal to the product of the total energy rate, including the average ECA (if any) applicable to the Account and ten (10) kWh of usage.

Energy Unmetered Service – Accounts that are unmetered and billed for energy only. The minimum charge shall be equal to the product of the total energy rate, including the average ECA (if any) applicable to the Account and ten (10) kWh of usage.

Date of Issue: January 1, 2008

Date Effective: _____

2. Termination of Service - Unless otherwise provided in the Customer Supply Contract, this minimum charge shall apply to all Account terminations. In the event Customer provides notice of termination of service to Authority pursuant to the "Initiation, Continuance and Termination of Service" provision of this Service Tariff, there shall be applicable for each of the thirty-six months subsequent to receipt of such notice by the Authority, a minimum bill equal to 75% of the product of the demand charge and the maximum monthly billing demand occurring in any month beginning with the twelfth month prior to the date of receipt of such notice.

C. NYISO-Related Charges

It is intended that the mechanisms to determine the demand charge, energy charge and Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customers including charges for capacity, transmission, ancillary services, marginal losses, congestion, reliability-related charges, demand curve charges or any other charge or assessment associated with Authority's responsibility as load serving entity to Customer. Such charges shall be net of any NYISO credits or revenues, including congestion rents, received by Authority and associated with service to Customer.

D. Distribution Losses

The determination of the demand charge, energy charge and Energy Charge Adjustment shall account for distribution losses, which losses represent the difference between the power and energy supplied by Authority to the load bus and the power and energy received by Customers.

VII. General Provisions Applicable to Delivery Service

A. Rates and Charges

Delivery Service rates set forth in Section IV, Rates and Charges, of this Service Tariff are payable to Authority by Customer as reimbursement to Utility for the use of its facilities and for services rendered in conjunction with the delivery of power and energy.

The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the GRT Statement of this Service Tariff and by the applicable percentage rate of the taxes imposed by the State and/or the municipality where service is supplied on the revenues of the Utility providing Delivery Service.

The charges for Delivery Service shall be subject to a charge representing Authority's share of the cost of the savings passed on to Madison Square Garden in accordance with Section 3, Chapter 459, 1982 N.Y. Laws.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common, General and Special Provisions of the Delivery Service Rate Schedule (PASNY No. 4) of the Consolidated Edison Company of New York, Inc., on file with the New York State Public Service Commission and the Federal Energy Regulatory Commission, all as may be amended from time to time; provided, however, that service hereunder shall not be subject to either the rate provisions of said Delivery Service Rate Schedule entitled "Delivery Service Rate I" and "Delivery Service Rate II – Time-of-Day" or such other provisions thereof as shall be deemed not to apply to the service hereunder in accordance with Section V, Common Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (PASNY No. 4) of Utility are incorporated by reference based on the service classifications in Section IV, Rates and Charges.

C. Adjustment of Charges

The charges for Delivery Service hereunder shall be subject periodically to an addition or deduction to reconcile the difference between the charges rendered to Authority by Utility for Delivery Service for Authority customers utilizing such Delivery Service and the charges billed by Authority to such customers. The amounts of any such additions or deductions will be determined and reflected in the Customer's bills for Delivery Service in a manner specified by Authority.

The charges for Delivery Service rendered under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from the Customer any rates, charges, taxes or assessments charged to Authority by Utility (including any such rates, charges, taxes or assessments lawfully charged for any period from commencement of service to Customer by Authority) if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.

D. Seasonal Proration

When a bill includes periods during both the summer billing period and the winter billing period, the rates and charges applicable will be prorated based on the number of days in the summer billing period and the number of days in the winter billing period related to the total number of days in the billing period.

E. Billing Period Proration

Where Authority renders a bill for other than a 30 day period, the rates and charges will be prorated on the basis of the number of elapsed days divided by 30; except that a Customer, who terminates service less than 30 days after the commencement of service, will be billed for a month.

F. Rights

Nothing in this Service Tariff is intended to change, alter or diminish any of the rights, privileges or benefits inuring to the Customer by virtue of any heretofore or presently existing independent agreements or arrangements which may have given rise to a course of conduct or relationship as between Customer and Consolidated Edison Company of New York, Inc. and/or any other power supplier (other than Authority) which has heretofore supplied the power requirements of Customer in whole or in part; and nothing herein shall be occasion for the enlargement of wheeling charges for Delivery Service provided by Consolidated Edison Company of New York, Inc. or any other public utility by virtue of any impairment or curtailment or attempted impairment or curtailment of any privilege or service heretofore enjoyed by Customer.

VIII. Service Classification Riders

Rider A

Schedule of Rates for Back-up and Maintenance Power

Applicability: To Service Classification Nos. 64, 65, 68, 69, 82, 85s, 91, 93, and 98 for sale of back-up and maintenance power as defined in §292.101 (b) (9) and (11), respectively of Title 18 of the Code of Federal Regulation (C.F.R.) to Authority Public Customers who qualify as a “Small Power Production Facility” or “Cogeneration Facility” as defined in 18 C.F.R. §292.203 (a) and (b), respectively. The rates and charges shown below are substitute rates to the rates and charges specified in Section IV of this Service Tariff.

Production			
		On-Peak	Off-Peak
Energy	cents/kWh	16.061	2.917
Delivery Service			
On experimental basis only and subject to provision H			
<u>Demand Charge</u>	<u>\$/kW-mo.</u>	<u>\$11.15</u>	

➤ Time Period: Demand Charge - All hours, all days

Energy Charge

On-Peak: 7:00 a.m. to 7:00 p.m. weekdays (excluding holidays)

Off Peak: All other times

Excluding holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Production: The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the “Statement of ECA Factor” which is attached to this Service Tariff.

Delivery Service: Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the “GRT Statement” which is attached to this Service Tariff.

The current Special Provisions (3.A – 3.G) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this rider A.

Date of Issue: January 1, 2008

Date Effective: _____

Provisions Applicable to Rider A

A. Requirements

Service hereunder shall be contingent upon receipt by Authority from Customer of an Application for Qualifying Cogeneration and Small Power Production Facilities under Section 201 and 210 of the Public Utility Regulatory Policies Act of 1978, on a form prescribed by Authority, and acceptance thereof by Authority.

Service hereunder shall also be contingent upon and subject to the securing of appropriate transmission and distribution services (Delivery Service) as required from the Utility providing Delivery Service.

B. Customer Option

Customer may elect, no more frequently than once in any 12-month period, to have its purchases of energy and demand billed at the rates applicable under either this Rider A or an appropriate Service Classification under this Service Tariff. If Customer elects to have its purchases billed at the rates applicable under an appropriate Service Classification under this Service Tariff, it will be treated, for billing purposes only, as if it were taking service under such Service Classification, except that the delivery service charge under this Rider A, shown above, shall continue to apply; for all other purposes, such Customers shall be treated as taking service under this Rider A.

C. Minimum Charge

There shall be no production minimum charge to Customers under Ride A.

D. Load Factor – Back-up Power

A Customer whose accumulated energy consumption associated with back-up service in any calendar year exceeds the energy associated with its dependable generating capacity, as indicated in its application for service hereunder, taken at ten (10) percent annual load factor will be subject to applicable production rates, in accordance with Section IV, Rates and Charges of this Service Tariff, for any additional back-up service in such calendar year.

E. Coordination of Maintenance Outage

Unless expressly stated otherwise by Authority, maintenance service will not be provided hereunder during Authority's seasonal peak calendar months, to be determined by Authority, or during scheduled outages of Authority's generating facilities. Customer will apply in writing at least sixty (60) days in advance of its maintenance outage for maintenance power and secure written approval from Authority. Authority reserves the right to request Customer to limit such maintenance outage to a period not to exceed thirty (30) days, in which case if said duration is exceeded, Customer will be subject to applicable production rates, in accordance with Section IV, Rates and Charges of this Service Tariff, for any additional maintenance service.

F. Metering

At a minimum, the metering device(s) required to be installed shall be capable of providing kWh readings differentiated by the on-peak and off-peak time periods specified hereinabove, and the maximum thirty (30) minute integrated demand occurring during the billing period.

G. Terms and Conditions

All terms and conditions of this Service Tariff shall apply to service under this Rider A except as specifically modified hereinabove.

H. Delivery Service Limitation

Due to the experimental designation of the Delivery Service portion of this Rider, the maximum amount of contract demand engaged on behalf of all eligible customers will be limited to 5 megawatts. Authority shall exercise sole discretion as to whether an eligible Customer will be served hereunder based on the respective merits of the Application for Qualifying Cogeneration and Small Power Production (where competing applications are received), in circumstances where acceptance by Authority of multiple applications would exceed the aforementioned limit.

VIII. Service Classification Riders - continued

Rider B

John F. Kennedy International Airport Cogeneration Plant Production Services

Applicability: To the Port Authority of New York and New Jersey for John F. Kennedy International Airport Cogeneration Plant Production Services (JFK Airport).

Notes:

- The Port Authority of New York and New Jersey (JFK Airport) previously received service under Service Tariff No. 15 for production and Appendix D for delivery service will now be covered under the provisions of this new Service Tariff.

- Copies of Rider B are available on request.

Date of Issue: January 1, 2008

Date Effective: _____

NUMERIC MATRIX

<u>Service Classification</u>	NEW Rate Category Shown on Bill	NEW Production&Delivery Tariff / Rates	Old Service Class Code	Old Production Tariff	Old Delivery Appendix
<u>CONVENTIONAL</u>					
General Small	GOV_NYC_62	ST 100 / Section IV	62	14-1, 15-A,16-1, 17-1, 18-1, 55-1, 71-1	C
Commercial & Industrial Redistribution	GOV_NYC_64	↓	64	15-4, 16-5, 17-4, 55-5	D
Electric Traction Systems and Platform Lighting	GOV_NYC_65	↓	65	14-3, 15-3, 18-3	E
Multiple Dwellings - Redistribution	GOV_NYC_68	↓	68	16-6, 17-3, 55-4	G
General Large	GOV_NYC_69	↓	69	14-2, 15-2, 16-2, 17-2, 18-2, 55-2, 71-2	H
NYC Public Street Lighting	GOV_NYC_80	↓	80	16-3	B
Multiple Dwellings Space Heating	GOV_NYC_82	↓	82	16-6, 17-3, 55-4	I
Transit Substation	GOV_NYC_85s	↓	85s	14-4	K
NYC Public Buildings	GOV_NYC_91	↓	91	16-4	A
NYC Public Buildings - Schools	GOV_NYC_93	↓	93	16-4	A
NYC Public Buildings - Pollution Control	GOV_NYC_98	↓	98	16-4	A
<u>TIME-OF-DAY</u>					
Commercial & Industrial Redistribution	GOV_NYC_64	ST 100 / Section IV	64	14-6, 15-4, 16-5, 17-4, 55-5	D
Multiple Dwellings - Redistribution	GOV_NYC_68	↓	68	16-6, 17-3, 55-4	G
General Large	GOV_NYC_69	↓	69	14-2, 15-2, 16-2, 17-2, 18-2, 55-2, 71-2	H
Multiple Dwellings Space Heating	GOV_NYC_82	↓	82	16-6, 17-3, 55-4	I
NYC Public Buildings	GOV_NYC_91	↓	91	16-4	A, L
NYC Public Buildings - Schools	GOV_NYC_93	↓	93	16-4	A, L
NYC Public Buildings - Pollution Control	GOV_NYC_98	↓	98	16-4	A, L

NOTE: Old Production Tariffs and Delivery Service Appendices have been replaced by Service Tariff No. 100

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
 Power Authority of the State of New York
 30 South Pearl Street, Albany, NY 12207

Gross Receipts Tax (GRT) Statement No. 1

Delivery service charges under this Service Tariff will be subject to the following Gross Receipts Tax surcharge based on where the Account is located.

City of New York	2.4066 %
City of Yonkers	0.3142 %
All Towns and the Village of Buchanan	0.0000 %
All other Customers	0.1045 %

Date of Issue: January 1, 2008

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

**Statement of Energy Charge Adjustment (ECA) Factor
Applicable to New York City Customers**

Applicable to all Service
Classifications and Riders
In cents/kWh

Effective Billing Period

March 2007	1.221
April 2007	0.410
May 2007	0.866
June 2007	0.533
July 2007	0.389
August 2007	(0.504)
September 2007	(0.174)

Date of Issue: October 1, 2007

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207



POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for Westchester County
Governmental Customers

Service Tariff No. 200

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

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Date of Issue: January 1, 2008

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Date of Issue: January 1, 2008

Date Effective: _____

Electric Service Tariff for Westchester County Governmental Customers

I. Applicability

To sale of firm power and energy by Authority to public Customers (and associated Accounts) located within Westchester County in accordance with the third unnumbered paragraph of Section 1005 of the Power Authority Act (Public Authorities Law § 1005) who receive Delivery Service through the Utility in whose franchise area such Customers' facilities are located.

II. Frequently used Abbreviations and Terms

A. The following abbreviations are used:

kW	kilowatt(s)
kWh	kilowatt-hour(s)
kVa	kilovolt-amperes
NYPA	New York Power Authority
NYISO	New York Independent System Operator
mo.	Month
TOD	Time-of-Day
GRT	Gross Receipts Tax

B. The term "Account (s)" means a metered or billed location based on Customer billing characteristics.

C. The term "Authority" means New York Power Authority, an alternative name for the Power Authority of the State of New York.

D. The term "Customer" means a governmental customer in Westchester County served under this Service Tariff by the Authority in accordance with the third unnumbered paragraph of Section 1005 of the Power Authority Act. For the purposes of this Service Tariff, the term Customer does not include a governmental customer in the City of New York.

E. The term "Customer Supply Contract" means the agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Customer Supply Contract includes the Application for Electric Service and the 2007 Supplemental Agreement.

Date of Issue: January 1, 2008

Date Effective: _____

- F. The Term "Delivery Service" means the service that Authority procures from Utility on behalf of Authority's governmental customers.
- G. The term "High Tension" means High Tension Alternating Current – 60 cycles (Frequency and voltages shown are approximate):
- Three phase at 2,400/4,150 volts
 - Three phase at 3,000/7,800 volts
 - Three phase at 6,900 volts
 - Three phase at 13,200 volts
 - Three phase at 26,400 volts
 - Three phase at 33,000 volts
 - Single phase and three phase at 2,400 volts
 - Three phase at 69,000 volts
 - Three phase at 138,000 volts
- H. The term "Low Tension" means Low Tension Alternating Current – 60 cycles (Frequencies and voltages shown are approximate):
- Three phase at 120/208 volts
 - Single phase at 120/240 volts
 - Three phase at 265/460 volts
 - Three phase at 240 volts
 - Two phase at 120/240 or 230 or 240 volts
- I. The term "Production" means Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.
- J. The term "Rules" means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.
- K. The term "Service Tariff" means this Service Tariff No. 200
- L. The term "Third-Party Supplier" means a supplier of power and energy other than Authority.
- M. The term "Utility" means Consolidated Edison Company of New York, Inc. which provides Delivery Service to any Customer purchasing firm power and energy under this Service Tariff.

III. Calculation of the Bill

A. Components of the Bill

The bill may be composed of the following components, as applicable:

<u>Types of Charges</u>	<u>Bill Components</u>	<u>Charge Units</u>	<u>Billing Determinants</u>
Production	Demand	\$/kW-month	kW
	Base Energy	¢/kWh	kWh
	Energy Charge Adjustment	¢/kWh	kWh
Delivery Service	Customer or Delivery point	\$ per month	# of Accounts
	Demand	\$/kW-month	kW
	Energy	¢/kWh	kWh
	Other	various	various
	Taxes	% or percent	on pre-tax bill
Other	Surcharges or credits	various	n/a
	Adjustments/Reconciliations	various	n/a

B. Bill Computation

For each Customer Account, the bill shall be equal to the sum of the product of the unit charge for each applicable Bill Component and its respective Billing Determinant. The total Customer bill shall be the aggregate of all Customer Accounts and shall have both Production and Delivery Service charges. If a Minimum Bill applies (see Section VI, General Provision B) the Customer bill shall be computed accordingly.

C. Defined Billing Terms of Production and Delivery

The following type of rates and conditions are applicable to Production and Delivery Service.

1. Conventional Monthly Rates shall apply to all Accounts except those billed under Time-of-Day ("TOD") Rates.
2. TOD Rates shall apply to:
 - Any Account whose maximum demand exceeds 1,500 kW in any annual period ending September 30;
 - Any new Account whose monthly maximum demand in the Authority's estimate will exceed 1,500 kW during the first year of service; and

- Successors of Accounts referred to above if eligible for Authority service.
3. Any Account billed under TOD Rates shall be transferred to and billed under Conventional Rates when the Account's monthly maximum demand does not exceed 900 kW for 12 consecutive months, provided however, that TOD Rates shall apply to any Account with multiple meters whose demand meter registrations, when added together for billing purposes, would qualify for these TOD Rates under any of the criteria listed in this Section and at least one of the Customer's meters registers 500 kW or more in any month in any annual period ending September 30.
 4. For Accounts transferring from Conventional Rates to TOD Rates, the first bill under TOD Rates shall be rendered when an Account's entire usage for the billing period is subsequent to December 31 of the annual period ending September 30 in which the Account becomes subject to TOD Rates.

Date of Issue: January 1, 2008

Date Effective: _____

IV. Rates and Charges

Service Classification No. 62 General Small

Applicability: To use of service for light, heat and power used for general uses where the Account's requirements do not exceed 10 kW.

Production

Conventional

Energy	cents/kWh	8.494
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Delivery Service

Low Tension

Conventional

First 10 kWh	cents/kWh	103.51
Next 890 kWh	cents/kWh	9.400
900 kWh and above	cents/kWh	7.930

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

>Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006	\$7,599.00
>Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006	\$49.00
>Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006	\$2.31

- Time Period Conventional: All hours, all days
- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (2.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 64 Commercial & Industrial Redistribution

Applicability: To use of service for light, heat and power for multiple-tenanted commercial or industrial buildings where the Account's requirements are in excess of 10 kW.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$11.59	\$9.51	-
Energy	cents/kWh	4.373	6.304	3.486

Delivery Service				
		<u>Low Tension</u>	<u>High Tension</u>	
<u>Conventional</u>				
First 100 kW of maximum demand	\$/kW-mo.	\$18.29	\$16.46	
Next 200 kW of maximum demand	\$/kW-mo.	\$16.06	\$14.46	
Next 9,700 kW of maximum demand	\$/kW-mo.	\$14.40	\$12.94	
Next 15,000 kW of maximum demand	\$/kW-mo.	\$13.18	\$11.86	
Over 25,000 kW of maximum demand	\$/kW-mo.	\$10.48	\$9.44	
<u>Time-of-Day</u>				
Summer (June 1 through September 30)	\$/kW-mo.	\$32.68	\$22.89	
Winter (October 1 through May 31)	\$/kW-mo.	\$6.84	\$4.81	
<u>Electrotechnologies TOD (not available for new service)</u>				
	\$/kW-mo.	\$13.77	\$10.06	

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

SC 64 – Continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
 Power Authority State of New York
 30 South Pearl Street, Albany, NY 12207

**Service Classification No. 64 - continued
Commercial & Industrial Redistribution**

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (4.A and 4.B) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority State of New York
30 South Pearl Street, Albany, NY 12207

**Service Classification No. 66
Westchester Public Street Lighting**

Applicability: To use of service for lighting of public streets, thoroughfares, parks and parkways; operation of traffic control signals, fire alarm signals, warning and directional signs in Westchester County.

Production		
<u>Conventional</u>		
Energy	cents/kWh	7.140

Delivery Service		
<u>Conventional</u>		
Energy Charge	cents/kWh	8.790

Furnishing and Maintaining Control Equipment For each point of service termination, where controlled period service is supplied from the circuits of the utility providing Delivery Service	per month	<u>\$2.42</u>
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- Time Period Conventional: All hours, all days
- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (6.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

Date of Issue: January 1, 2008

Date Effective: _____

Service Classification No. 68 Multiple Dwellings - Redistribution

Applicability: To use of service for light, heat and power for multiple dwellings where the Account's requirements are in excess of 10 kW.

Production				
			Time-of-Day	
			Conventional	On-Peak Off-Peak
Demand	\$/kW-mo.	\$10.24	\$9.18	-
Energy	cents/kWh	4.511	6.518	3.570
Delivery Service				
			Time-of-Day	
			Conventional	Low Tension High Tension
Demand	\$/kW-mo.	\$15.72	\$14.14	
Time-of-Day				
Summer (June 1 through September 30)	\$/kW-mo.	\$34.43	-	
Winter (October 1 through May 31)	\$/kW-mo.	\$7.23	-	

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

➤ **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.

➤ **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (8.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

➤ If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

**Service Classification No. 69
General Large**

Applicability: To use of service for light, heat and power for general uses where the Account's requirements are in excess of 10 kW.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$8.44	\$6.99	-
Energy	cents/kWh	4.724	6.742	3.511

Delivery Service			
		<u>Low Tension</u>	<u>High Tension</u>
<u>Conventional</u>			
First 1,300 kW of maximum demand	\$/kW-mo.	\$16.22	\$14.61
Over 1,300 kW of maximum demand	\$/kW-mo.	\$14.74	\$13.27
<u>Time-of-Day</u>			
Summer (June 1 through September 30)	\$/kW-mo.	\$36.23	\$25.38
Winter (October 1 through May 31)	\$/kW-mo.	\$7.50	\$5.24
Electrotechnologies TOD (not available for new service)	\$/kW-mo.	\$13.77	\$10.06

Surcharges for Direct-Current Service

Applicable to any Account served by direct-current service. The following surcharges apply in addition to the rates and charges stated above:

- >Customer Charge per month applicable to Accounts with demand-billed service for the period beginning April 1, 2006 \$7,599.00
- >Customer Charge per month applicable to Accounts with non demand-billed service for the period beginning April 1, 2006 \$49.00
- >Distribution Charge per kWh of direct-current service per month for the period beginning April 1, 2006 \$2.31

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

SC 69 – Continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority State of New York
30 South Pearl Street, Albany, NY 12207

**Service Classification No. 69 - continued
General Large**

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

- **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.
- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (9.A and 9.B) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority State of New York
30 South Pearl Street, Albany, NY 12207

Service Classification No. 82 Multiple Dwellings Space Heating

Applicability: To use of service for light, heat and power used in a multiple dwelling in which the entire space heating requirements of the residential tenants are supplied by the use of electricity as determined by the Utility providing Delivery Service.

Production				
		<u>Conventional</u>	<u>Time-of-Day</u>	
			On-Peak	Off-Peak
Demand	\$/kW-mo.	\$10.24	\$9.18	-
Energy	cents/kWh	4.511	6.518	3.570

Delivery Service				
		<u>Low Tension</u>	<u>High Tension</u>	
<u>Seasonal Delivery Charges</u>				
Summer (June 1 through September 30)				
First 50 kW of maximum demand	\$/kW-mo.	\$18.45	\$16.60	
Next 250 kW of maximum demand	\$/kW-mo.	\$15.14	\$13.63	
Over 300 kW of maximum demand	\$/kW-mo.	\$14.02	\$12.63	
Winter (October 1 through May 31)				
First 50 kW of maximum demand	\$/kW-mo.	\$14.77	\$13.28	
Next 250 kW of maximum demand	\$/kW-mo.	\$11.18	\$10.07	
Over 300 kW of maximum demand	\$/kW-mo.	\$8.81	\$7.90	

➤ Time Period Conventional: All hours, all days

Time-of-Day

Demand Charge:

On-Peak: 8:00 a.m. to 6:00 p.m. weekdays (including holidays)

Off-Peak: All other times

Energy Charge:

On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)

Off-Peak: All other times

➤ **Production:** The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.

SC 82 – Continued on Leaf No. XX

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
 Power Authority of the State of New York
 30 South Pearl Street, Albany, NY 12207

Service Classification No. 82 - continued
Multiple Dwellings Space Heating

- **Delivery Service:** Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (12.A) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this service classification.

- If Rider A applies under this Service Classification, the Rates and Charges under Rider A will replace the above production rates.

Date of Issue: January 1, 2008

Date Effective: _____

V. Common Provisions

A. Rules and Regulations

1. The Rules are hereby incorporated into this Service Tariff with the same force and effect as if herein set forth at length, except as may be noted herein. In the event of any inconsistencies, conflicts or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. Section 454.6 (d) of the Rules shall not be applicable to service hereunder.

2. The supply of service hereunder to Customer is subject to the provisions of the Service Agreement for the Delivery of Power and Energy ("Service Agreement") and the Planning and Supply Agreement ("Planning and Supply Agreement") both dated March 10, 1989, and both between Authority and Consolidated Edison Company of New York, Inc.; and the Consolidated Edison Company of New York, Inc. Delivery Service Rate Schedule Implementing and Part of the Service Agreement as filed with the Public Service Commission and the Federal Energy Regulatory Commission ("PASNY No. 4"), respectively, and as each may be amended and supplemented from time to time. In the event of any inconsistency, conflict or difference between the provisions of this Service Tariff and/or Authority's Rules on the one hand and those contained in PASNY No. 4, the Service Agreement, and/or the Planning and Supply Agreement on the other hand, the provisions of this Service Tariff and Authority's Rules shall govern.

3. In the event of inconsistencies, conflicts or differences between any provisions of the 2007 Supplemental Agreement (if applicable) and any of the agreements or documents referenced in Section V, Common Provisions A.1 and 2, the provisions of the 2007 Supplemental Agreement shall govern.

B. Character of Service

Alternating current; 60 hertz; 3 phase

C. Power Factor

Power factor is the ratio of real power (kW) to apparent power (kVA) for any given load and time. Authority may require Customer to maintain a power factor of not less than 90%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Notice of Adjustments in Charges

Power and Energy: Whenever Authority has determined that the rates for power and energy sold hereunder, exclusive of Delivery Service charges and Energy Charge Adjustment, should be revised pursuant to the Rules, it will notify Customer in writing of the revised rates not less than thirty (30) days in advance of the effective date thereof.

Delivery Service: Authority shall notify Customer in writing within thirty (30) days following the date it receives written notice of adjustments in rates, terms and conditions related to Delivery Service and shall amend this Service Tariff to incorporate such changes accordingly.

ECA: Changes in the Energy Charge Adjustment (if applicable) will be indicated on the monthly bill without prior notice.

E. Customer Requirements for Production and Delivery Service

1. Provision of Production Service

From time to time, Authority will accept requests for Production service from existing or prospective Authority Customers. Authority will notify Utility when Authority has accepted any new Customer and its associated Accounts and when Authority accepts a new Account(s) of an existing Customer. Authority will notify Utility of the time in which it will initiate Production service to such Accounts.

(a) With respect to Accounts transferred from Utility: Utility has agreed (in the Service Agreement) to transfer service of the Accounts which are the customers of Utility to Authority, free of any limitations on termination of contract which would otherwise apply in the absence of such Agreement, except that Utility shall not be required to transfer service of any Account if such customer is not current on its payment for service from Utility, does not pay promptly its final bill for service, and has not paid its outstanding financial obligations to Utility.

(b) With respect to Accounts to be transferred from Third-Party Supplier: the prospective customer shall be responsible for arranging to terminate its service with its Third-Party Supplier and for the transfer of service to Authority, which termination shall, in the ordinary case, be in accordance with the terms of the prospective customer's service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

Date of Issue: January 1, 2008

Date Effective: _____

(c) Prospective customers must, to the extent practicable notify Authority in advance of any transfer of service from Utility or a Third-Party Supplier to Authority or initiation of service that it desires to be made, but in no event will such notice be less than 30 days.

(d) All Customers shall be subject to compliance with all applicable service connection and other requirements of Utility concerning initiation or modification of service as would apply to a similarly situated customer under Utility's applicable tariffs.

2. Provision of Delivery Service

Utility has agreed (in the Service Agreement) to accept power and energy from Authority, and to deliver such power and energy to Authority Customers designated by Authority at such delivery points as the Utility will specify within its franchise area, utilizing Utility's transmission and distribution facilities as available for that purpose. Under such Agreement: (a) Utility and/or Customer may, from time to time, be required to install new or enlarged facilities within the franchise area to serve Customer; (b) Customer is required to coordinate directly with Utility for each requirement for a new delivery point or for enlarged or altered service at any existing delivery point including reinforcement, maintenance or removal applicable thereto; (c) any new, enlarged or altered service or facilities that Utility supplies to its own customers under its effective service schedule or schedules without compensation additional to the standard rate for service shall be similarly available to Authority Customers without payment of compensation beyond the standard rate for Delivery Service provided for that class of Authority Customers; and (d) when the Delivery Service requires facilities for which Utility normally would make a special charge to its own customers or would require the customer to make the installation, Utility shall specify, after discussion with Authority, the additional compensation Customer shall pay to Utility which shall not exceed the compensation which would be payable by a customer of Utility in comparable circumstances; or Customer shall install the needed facilities which shall conform to Utility's specifications and Utility shall permit their connection to its system in accordance with Utility's specifications.

3. Temporary Service

Temporary service, if provided to prospective customers that may become Authority Customers, will not be the responsibility of Authority. Upon installation of the permanent service connection, service to the Account(s) shall be transferred to Authority in accordance with subsections 1 and 2 above and only then shall such Account(s) be the responsibility of Authority.

Date of Issue: January 1, 2008

Date Effective: _____

4. Initiation, Continuance and Termination of Service

a. Unless otherwise provided in the Customer Supply Contract, the following provisions concerning continuance and termination of Service shall apply:

- (1) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.
- (2) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.
- (3) Customer may terminate service at any time after one year's service on written notice to Authority at least thirty-six months in advance.

b. Unless otherwise provided in the Customer Supply Contract, the Minimum Bill provision of this Service Tariff, as defined in Section VI, Provision B, shall apply.

c. Unless otherwise provided in the Customer Supply Contract, Customer may effect a partial termination or reduction of service if such partial termination or reduction results from (a) Account turn-offs; load management; energy conservation; or Customer-supplied generation, or (b) partial transfer of service by Account to a third party, provided that any such transfer in any given calendar year does not exceed 3 percent of the total annual sales to Customer in that calendar year. Such transfer may occur at any time after one year's service on written notice to Authority not less than 120 days in advance, or sooner, if mutually agreeable.

d. Customer shall notify Authority and Utility in writing in advance when service is to be discontinued at an existing Account. Customer shall provide the name and address, if known, of the succeeding owner or occupant of the Account location being discontinued. If Customer desires service from Authority at another location, Customer shall file a request for such service pursuant to Authority's requirements.

5. Transfer of Service

In the event that Customer discontinues Authority electric service in accordance with the provision of this Service Tariff entitled "Initiation, Continuance and Termination of Service", or Authority discontinues electric service to Customer, transfer of such service from Authority to a Third-Party Supplier or Utility shall be effected provided such Customer meets the Third-Party Supplier's or Utility's prerequisites for electric service as set forth in such supplier's filed schedule for electricity service.

Date of Issue: January 1, 2008

Date Effective: _____

6. Redistribution of Electric Service

Customer may not resell, remeter (or submeter), or redistribute electric service to its tenants or occupants in the premises supplied by Authority, unless such is expressly authorized by the Authority and not violative of any statutes, laws, rules or regulations of any body having jurisdiction in the premises.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand shall be the maximum 30-minute integrated demand established during the billing period and for unmetered service the billing demand shall be determined by Authority.

G. Billing Period

Customer meters are generally scheduled to be read by Utility and bills rendered by Authority on a monthly basis, approximately thirty (30) days.

H. Proration of Monthly Rates and Charges

The foregoing rates and charges shall apply to service rendered hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.

I. Payment

1. Bills computed under this Service Tariff are due and payable at the office of Authority within ten (10) days of the date of bill, subject to late payment in accordance with provision 454.6 (b) of the Rules. In the event that there is a dispute on any item of a bill rendered by Authority, Customer shall pay such bill in its entirety within the prescribed period and any necessary adjustments will be made thereafter.

2. Payment of Estimated Bill: Whenever Utility is unable, for whatever reason, to record Customer's meter information for any monthly billing period, Authority will render to Customer an estimated bill for service for such billing period. This bill will be due and payable in accordance with subsection (a) of this Provision I. of this Service Tariff.

Once Customer's meter is read then Authority will render to Customer an actual, final bill approximately twenty (20) days after the conclusion of the billing period in question. Any overpayment or underpayment by Customer for the previous estimated bill, as determined by the actual, final bill for such billing period, will be treated as a credit or charge towards the bill calculated for the succeeding billing period.

J. Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party Supplier

If the total firm power and energy delivered to the Customer is provided partly by Authority and partly by a Third-Party Supplier, then the total charges to the Customer will be pro-rated accordingly (i.e., partly at Authority's rates and partly at Third-Party Supplier's rates).

K. Customer Information for Supply Planning

To assist in Authority's supply planning, Customer agrees to cooperate with Authority in providing information on future power and energy requirements as the Authority may request from time to time.

VI. General Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in its Customer Supply Contract with Authority, Customer shall be subject to the following Energy Charge Adjustment ("ECA") provision: The charges for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" (defined below) for the previous month increases or decreases from the "base cost of energy" (defined below).

1. The "base cost of energy" shall be equal to (a) the sum of the projected cost of fuel, purchased power, ancillary services and other NYISO-related charges and hedging costs to be incurred to serve Customer for the calendar year in question, less (b) any projected NYISO capacity, energy, or ancillary service revenues or credits to be received by Authority associated with providing service to Customer, as well as any other projected NYISO credits or revenues associated with providing service to Customer (e.g., as a generator or a load serving entity), including Transmission Congestion Credits and rents associated with transmission paths determined by Authority to be used in serving Customer for the calendar year; all divided by the projected kilowatt hour sales to such Customer for the calendar year.

The "base cost of energy" expressed in dollars per kilowatt hour is \$0.07021. Such base cost may be amended from time to time.

2. The "average cost of energy" shall be equal to (a) the sum of the costs of fuel, purchased power, ancillary services and other NYISO-related charges and hedging costs actually incurred in the previous month to serve Customer, less (b) any NYISO capacity, energy, and ancillary service revenues or credits actually received in the previous month by Authority and associated with the service provided by Authority to Customer as well as any other NYISO credits or revenues actually received by Authority and associated with providing service to Customer (e.g., as a generator or a load serving entity), including Transmission Congestion Credits and rents associated with transmission paths determined by Authority to be used in serving Customer; all divided by the total kilowatt hours sold to such Customer for such previous month.

The "average cost of energy" as determined hereinabove will be adjusted from time to time as determined by Authority to permit reconciliation of revenues derived from Energy Charge Adjustments billed to Customer in prior billing periods with energy-related costs applicable to such billing periods.

3. The "ECA Factor" is the difference between the average cost of energy including adjustments, and the base cost of energy. The ECA Factor shall be added to or subtracted monthly from the charges for electric service to Customer. It will be shown monthly in the Statement of ECA Factor. A copy of the current Statement of ECA Factor will be available upon request.

B. NYISO-Related Charges

It is intended that the mechanisms to determine the demand charge, energy charge and Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customers including charges for capacity, transmission, ancillary services, marginal losses, congestion, reliability-related charges, demand curve charges or any other charge or assessment associated with Authority's responsibility as load serving entity to Customer. Such charges shall be net of any NYISO credits or revenues, including congestion rents, received by Authority and associated with service to Customer.

C. Distribution Losses

The determination of the demand charge, energy charge and Energy Charge Adjustment shall account for distribution losses, which losses represent the difference between the power and energy supplied by Authority to the load bus and the power and energy received by Customers.

VII. General Provisions Applicable to Delivery Service

A. Rates and Charges

Delivery Service rates set forth in Section IV, Rates and Charges, of this Service Tariff are payable to Authority by Customer as reimbursement to Utility for the use of its facilities and for services rendered in conjunction with the delivery of power and energy.

The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the GRT Statement of this Service Tariff and by the applicable percentage rate of the taxes imposed by the State and/or the municipality where service is supplied on the revenues of the Utility providing Delivery Service.

The charges for Delivery Service shall be subject to a charge representing Authority's share of the cost of the savings passed on to Madison Square Garden in accordance with Section 3, Chapter 459, 1982 N.Y. Laws.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common, General and Special Provisions of the Delivery Service Rate Schedule (PASNY No. 4) of the Consolidated Edison Company of New York, Inc., on file with the New York State Public Service Commission and the Federal Energy Regulatory Commission, all as may be amended from time to time; provided, however, that service hereunder shall not be subject to either the rate provisions of said Delivery Service Rate Schedule entitled "Delivery Service Rate I" and "Delivery Service Rate II – Time-of-Day" or such other provisions thereof as shall be deemed not to apply to the service hereunder in accordance with Section V, Common Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (PASNY No. 4) of Utility are incorporated by reference based on the service classifications in Section IV, Rates and Charges.

C. Adjustment of Charges

The charges for Delivery Service hereunder shall be subject periodically to an addition or deduction to reconcile the difference between the charges rendered to Authority by Utility for Delivery Service for Authority customers utilizing such Delivery Service and the charges billed by Authority to such customers. The amounts of any such additions or deductions will be determined and reflected in the Customer's bills for Delivery Service in a manner specified by Authority.

The charges for Delivery Service rendered under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from the Customer any rates, charges, taxes or assessments charged to Authority by Utility (including any such rates, charges, taxes or assessments lawfully charged for any period from commencement of service to Customer by Authority) if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.

D. Seasonal Proration

When a bill includes periods during both the summer billing period and the winter billing period, the rates and charges applicable will be prorated based on the number of days in the summer billing period and the number of days in the winter billing period related to the total number of days in the billing period.

E. Billing Period Proration

Where Authority renders a bill for other than a 30 day period, the rates and charges will be prorated on the basis of the number of elapsed days divided by 30; except that a Customer, who terminates service less than 30 days after the commencement of service, will be billed for a month.

F. Rights

Nothing in this Service Tariff is intended to change, alter or diminish any of the rights, privileges or benefits inuring to the Customer by virtue of any heretofore or presently existing independent agreements or arrangements which may have given rise to a course of conduct or relationship as between Customer and Consolidated Edison Company of New York, Inc. and/or any other power supplier (other than Authority) which has heretofore supplied the power requirements of Customer in whole or in part; and nothing herein shall be occasion for the enlargement of wheeling charges for Delivery Service provided by Consolidated Edison Company of New York, Inc. or any other public utility by virtue of any impairment or curtailment or attempted impairment or curtailment of any privilege or service heretofore enjoyed by Customer.

VIII. Service Classification Riders

Rider A

**Schedule of Rates for Back-up and
 Maintenance Power**

Applicability: To Service Classification Nos. 64, 68, 69, and 82 for sale of back-up and maintenance power as defined in §292.101 (b) (9) and (11), respectively of Title 18 of the Code of Federal Regulation (C.F.R.) to Authority Public Customers who qualify as a “Small Power Production Facility” or “Cogeneration Facility” as defined in 18 C.F.R. §292.203 (a) and (b), respectively. The rates and charges shown below are substitute rates to the rates and charges specified in Section IV of this Service Tariff.

Production			
		On-Peak	Off-Peak
Energy	cents/kWh	13.428	2.439
Delivery Service			
On experimental basis only and subject to provision H			
Demand Charge	\$/kW-mo.	\$11.15	

➤ Time Period: Demand Charge - All hours, all days

Energy Charge

On-Peak: 7:00 a.m. to 7:00 p.m. weekdays (excluding holidays)

Off Peak: All other times

Excluding holidays are defined as New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Date of Issue: January 1, 2008

Date Effective: _____

Production: The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, General Provision A. These ECA charges are reported in the "Statement of ECA Factor" which is attached to this Service Tariff.

Delivery Service: Delivery Service charges set forth above shall be subject to a monthly Gross Receipts Tax (GRT) surcharge based on the applicable percentage rates included in the "GRT Statement" which is attached to this Service Tariff.

The current Special Provisions (3.A – 3.G) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (PASNY No. 4) are incorporated by reference and apply to this rider A.

Date of Issue: January 1, 2008

Date Effective: _____

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

Provisions Applicable to Rider A

A. Requirements

Service hereunder shall be contingent upon receipt by Authority from Customer of an Application for Qualifying Cogeneration and Small Power Production Facilities under Section 201 and 210 of the Public Utility Regulatory Policies Act of 1978, on a form prescribed by Authority, and acceptance thereof by Authority.

Service hereunder shall also be contingent upon and subject to the securing of appropriate transmission and distribution services (Delivery Service) as required from the Utility providing Delivery Service.

B. Customer Option

Customer may elect, no more frequently than once in any 12-month period, to have its purchases of energy and demand billed at the rates applicable under either this Rider A or an appropriate Service Classification under this Service Tariff. If Customer elects to have its purchases billed at the rates applicable under an appropriate Service Classification under this Service Tariff, it will be treated, for billing purposes only, as if it were taking service under such Service Classification, except that the delivery service charge under this Rider A, shown above, shall continue to apply; for all other purposes, such Customers shall be treated as taking service under this Rider A.

C. Minimum Charge

There shall be no production minimum charge to Customers under Ride A.

D. Load Factor – Back-up Power

A Customer whose accumulated energy consumption associated with back-up service in any calendar year exceeds the energy associated with its dependable generating capacity, as indicated in its application for service hereunder, taken at ten (10) percent annual load factor will be subject to applicable production rates, in accordance with Section IV, Rates and Charges of this Service Tariff, for any additional back-up service in such calendar year.

E. Coordination of Maintenance Outage

Unless expressly stated otherwise by Authority, maintenance service will not be provided hereunder during Authority's seasonal peak calendar months, to be determined by Authority, or during scheduled outages of Authority's generating facilities. Customer will apply in writing at least sixty (60) days in advance of its maintenance outage for maintenance power and secure written approval from Authority. Authority reserves the right to request Customer to limit such maintenance outage to a period not to exceed thirty (30) days, in which case if said duration is exceeded, Customer will be subject to applicable production rates, in accordance with Section IV, Rates and Charges of this Service Tariff, for any additional maintenance service.

F. Metering

At a minimum, the metering device(s) required to be installed shall be capable of providing kWh readings differentiated by the on-peak and off-peak time periods specified hereinabove, and the maximum thirty (30) minute integrated demand occurring during the billing period.

G. Terms and Conditions

All terms and conditions of this Service Tariff shall apply to service under this Rider A except as specifically modified hereinabove.

H. Delivery Service Limitation

Due to the experimental designation of the Delivery Service portion of this Rider, the maximum amount of contract demand engaged on behalf of all eligible customers will be limited to 5 megawatts. Authority shall exercise sole discretion as to whether an eligible Customer will be served hereunder based on the respective merits of the Application for Qualifying Cogeneration and Small Power Production (where competing applications are received), in circumstances where acceptance by Authority of multiple applications would exceed the aforementioned limit.

NUMERIC MATRIX

<u>Service Classification</u>	NEW Rate Category <u>Shown on Bill</u>	NEW Production & Delivery <u>Tariff / Rates</u>	Old Service Class <u>Code</u>	Old Production <u>Tariff</u>	Old Delivery <u>Appendix</u>
<u>CONVENTIONAL</u>					
General Small	GOV_WES_62	ST 200 / Section IV	62	11-1, 12-1, 13-1, 77-1	C
Commercial & Industrial Redistribution	GOV_WES_64	↓	64	11-4, 77-4	D
Westchester Public Street Lighting	GOV_WES_66	↓	66	11-3, 13-3, 18-4, 55-3, 71-3	F
Multiple Dwellings - Redistribution	GOV_WES_68	↓	68	13-4, 77-3	G
General Large	GOV_WES_69	↓	69	11-2, 12-2, 13-2, 77-2	H
Multiple Dwellings Space Heating	GOV_WES_82	↓	82	13-4, 77-3	I
<u>TIME-OF-DAY</u>					
Commercial & Industrial Redistribution	GOV_WES_64	ST 200 / Section IV	64	77-4	D
Multiple Dwellings - Redistribution	GOV_WES_68	↓	68	13-4, 77-3	G
General Large	GOV_WES_69	↓	69	11-2, 12-2, 13-2, 77-2	H
Multiple Dwellings Space Heating	GOV_WES_82	↓	82	13-4, 77-3	I

NOTE: Old Production Tariffs and Delivery Service Appendices have been replaced by Service Tariff No. 200

Date of Issue: January 1, 2008

Date Effective: _____

Gross Receipts Tax (GRT) Statement No. 1

Delivery service charges under this Service Tariff will be subject to the following Gross Receipts Tax surcharge based on where the Account is located.

City of New York	2.4066 %
City of Yonkers	0.3142 %
All Towns and the Village of Buchanan	0.0000 %
All other Customers	0.1045 %

Date of Issue: January 1, 2008

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

**Statement of Energy Charge Adjustment (ECA) Factor
Applicable to Westchester Customers**

Applicable to all Service
Classifications and Riders
In cents/kWh

Effective Billing Period

March 2007	(0.750)
April 2007	(0.482)
May 2007	0.999
June 2007	1.665
July 2007	0.055
August 2007	0.104
September 2007	1.150

Date of Issue: October 1, 2007

Issued by James H. Yates, Senior Vice President
Power Authority of the State of New York
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August 27, 2007

VIA E-MAIL AND HAND DELIVERY

Ms. Anne B. Cahill
Corporate Secretary
New York Power Authority
123 Main Street
White Plains, NY 10601

Re: New York State Register ID No. PAS-28-07-000004-P; Rates for
the Sale of Power and Energy

Dear Secretary Cahill:

On behalf of the City of New York ("City"), and pursuant to the notice published in the New York State Register on July 11, 2007, as required by the provisions of the State Administrative Procedures Act, the City hereby submits the attached comments concerning the New York Power Authority's proposed tariff consolidation.

Please call me if you have any questions.

Very truly yours,

s/Kimberly A. Harriman

Kimberly A. Harriman
Attorney for the City of New York

Enclosure

cc: Ms. Helle Maide, NYPA
Mr. James Yates, NYPA
Ms. Susan Cohen, DCAS
Ms. Ilene Lees, Esq., DCAS
Mr. Donald Brosen, DCAS
Ms. Laurie Kaye, DCAS
Mr. Stuart Barth, DCAS

**POWER AUTHORITY OF
THE STATE OF NEW YORK**

**New York State Register ID No. PAS-28-07-00004-P,
Rates for the Sale of Power and Energy**

**COMMENTS OF THE CITY OF NEW YORK
ON TARIFF REVISIONS**

DATED: August 27, 2007

**COUCH WHITE, LLP
540 BROADWAY
P.O. BOX 22222
ALBANY, NEW YORK 12201-2222
(518) 426-4600**

PRELIMINARY STATEMENT

Pursuant to the provisions of the State Administrative Procedures Act (“SAPA”), the City of New York (“City”) hereby submits these comments on the New York Power Authority’s (“NYPA”) proposal to consolidate into one tariff all production and delivery service tariffs applicable to NYPA’s New York City Governmental Customers (“NYC Governmental Customers”). The consolidated tariff – “Electric Service Tariff for New York City Governmental Customers” (“Tariff”) – specifies the rates and charges and terms of service for NYC Governmental Customers. To the best of our knowledge, the Tariff does not propose any changes to existing rates.

The City currently takes electric delivery and commodity service from NYPA under NYPA’s tariff and pursuant to a contractual arrangement. NYPA has done an adequate job of consolidating the tariff provisions applicable to NYC Governmental Customers into the Tariff. However, as discussed herein, there are several changes that should be implemented to improve the clarity of the Tariff.

BACKGROUND INFORMATION

In 1976, the City and NYPA entered into an Application for Electric Service (“Application for Service”) under which NYPA furnishes capacity and energy to the City. The Application for Service has been supplemented and amended from time to time pursuant to agreements executed by the City and NYPA (collectively, the “Parties”).

On March 18, 2005, the Parties entered into a Long Term Agreement (“LTA”) pursuant to which NYPA supplies electricity to the City. The LTA, in part, provides for a long term rate-setting process that is to be performed on an annual basis. The LTA also

specifies the rights and responsibilities of NYPA and the City, as well as the applicable rates and charges for service, including the methodology and procedure for setting rates and charges.

COMMENTS

The City's comments are focused primarily on bringing additional clarity to the Tariff, and thus avoiding any potential for confusion over the provisions of the Tariff, especially as they relate to the LTA, which ultimately governs the relationship between the City and other NYC Governmental Customers with NYPA. For the reasons set forth below, four sections of the Tariff should be modified: (1) Rider A; (2) Components of the Bill (Section III. Calculation of the Bill); (3) the Energy Charge Adjustment and Minimum Bill Calculation (Section VI. General Provisions Applicable to Production); and (4) Common Provisions, Rules and Regulations (Section V.A).

Rider A

The Tariff attempts to incorporate the current Rider A into the Tariff again under the heading "Rider A". Rider A provides the rates and charges for back-up and maintenance power for small power production facilities or cogeneration facilities, as defined by 18 C.F.R. §292.203 (a) and (b), respectively. It is the City's understanding that no NYC Governmental Customers are currently being served under Rider A. Nonetheless, Rider A should be continued for customers that do install on-site generation facilities. In addition, NYPA should consider amending Rider A to allow NYPA to negotiate discounted Rider A rates where appropriate, as many other utilities do.

In incorporating the provisions of Rider A into the Tariff, NYPA proposes to do so by adding Rider A explicitly and, in addition by adding to the tariff leaves for several service classifications, a statement that “Rates and charges under this Service Classification may be subject to Rider A”. This added statement leaves the reader with the impression that Rider A is a charge that is in addition to the rates and charges specified for the service classifications. It is the City’s understanding, after consultation with NYPA staff, that Rider A is not meant to be an additional charge. Instead, Rider A is a separate rate classification for service to NYC Governmental Customers that have a small power production or cogeneration facility. Accordingly, NYPA should remove all references to Rider A in each service classification and then clarify in Rider A that the back-up charges provided in the rider are designed to be alternative to the rates and charges specified for the service classes.

Additionally, Rider A contains two terms that do not appear to be defined in the Tariff – “Base Average Energy Cost” and “Base Incremental Energy Cost”. NYPA should include in Rider A a definition of each of those terms, especially because the Base Average Energy Cost and Base Incremental Energy Cost are two components for calculating the Energy Charge Adjustment. The Tariff should be clear on its face, and there should be no undefined terms.

Calculation of the Bill

Under the Tariff, the bill is comprised of three general types of charges: production, delivery service and other. The bill components for delivery service include customer or delivery point, demand, energy, other and taxes. NYPA is proposing to include a new bill component of “other” for delivery service. Although the term “other” also appears as one of the three general types of charges, it is the City’s understanding, based upon a

conversation with NYPA staff, that the “other” included in the list of types of charges is different from and incremental to the “other” proposed for inclusion as a bill component for delivery service. It is also the City’s understanding, based upon a conversation with NYPA staff, that the charge units for the bill component “other” under delivery service will vary depending on the type of cost being recovered. The Tariff, however, designates “\$/kW month” as the charge unit for “other”. Given the possibility that the charge unit for “other” may vary depending on the cost being recovered, NYPA should clarify the Tariff. One way NYPA can clarify the Tariff is to use the term “various” in place of “\$/kW month”. The term “various” is already proposed for indicating the billing determinants for the bill component “other” under delivery service.

General Provisions Applicable to Production

The City recommends two clarifications for Section VI – General Provisions Applicable to Production – both related to the requirements under subsection B – Minimum Bill. Under the first provision of the subsection, the Tariff specifies when a NYC Governmental Customer must pay a minimum production bill for both demand metered service and unmetered service. For unmetered service, the Tariff is unclear when and how NYPA would be aware of a drop in production demand that would trigger the applicability of a minimum bill. The City recommends that NYPA clarify in the Tariff when and how it will determine to issue a minimum bill for unmetered service.

The second provision of subsection B that should be clarified deals with termination of service. Under the termination of service provision, a minimum bill will apply to all account terminations for a period of thirty-six months subsequent to NYPA’s receipt of the notice of termination. Although numerated paragraph one of subsection B

specifically conditions that the terms of that paragraph must be consistent with the Customer Supply Contract (i.e., the Application for Service and LTA), no such condition exists for numerated paragraph three – Termination of Service. Therefore, the City recommends that NYPA include the conditional language of paragraph one in paragraph three.

Potential Conflicts with LTA

In the event of a conflict between the Tariff provisions and the LTA, the LTA controls. Although Section V.A of the Tariff addresses the relationship of the Tariff to other rules and agreements, the overriding effect of the LTA is not acknowledged. Accordingly, Section V.A should be revised to include an acknowledgment that, in the event of a conflict between the tariff and the LTA, the LTA controls.

CONCLUSION

For the foregoing reasons, NYPA should adopt the recommended clarifications to the Tariff. Acceptance of these recommendations will help ensure that both NYPA and the NYC Governmental Customers fully comprehend the terms, conditions and rates and charges applicable to service.

Dated: August 27, 2007

s/ Kimberly A. Harriman

Kimberly A. Harriman
Couch White, LLP
540 Broadway
Albany, New York 12201

Attorney for City of New York

11. NYC/DEP East Delaware and Neversink Hydroelectric Facilities – Change Order to North American Energy Services Contract

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve a change order to the existing contract with North American Energy Services (‘NAES’) to implement capital projects necessary for the proper maintenance and operation of the New York City Department of Environmental Protection’s East Delaware and Neversink Hydroelectric Facilities (the ‘Facilities’).

“The City of New York (‘City’), acting through its Department of Environmental Protection (‘NYC/DEP’), concurs with the issuance of the change order and will reimburse the Authority for all incurred costs on a monthly basis.

BACKGROUND

“In accordance with the Authority’s Expenditure Authorization Procedures, the award of change orders associated with non-personal services or equipment purchase contracts in excess of \$1 million requires Trustee approval.

DISCUSSION

“At their meeting on February 9, 2005, the Trustees authorized the execution of new Long-Term Supplemental Electricity Supply Agreements (‘LTAs’) with the New York City Governmental Customers, substantially in the form as that executed with the City on March 18, 2005. Article XV of the March 18th LTA provides, subject to certain conditions, that the Authority will operate the Facilities on behalf of the City.

“At their meeting on September 26, 2006, the Trustees approved \$2.144 million for the award of a contract to NAES to provide management, supervisory, engineering, operational, administrative, technical and maintenance services in addition to capital improvements for the Facilities. NAES mobilized in the fourth quarter of 2006 and continues to operate and maintain the Facilities.

“As presented at the September 2006 meeting, and based on engineering studies of the Facilities, several future capital projects were identified as necessary. During the course of operations, the City requested that additional improvements be managed by the Authority.

“Based on studies conducted by NAES and recommendations made, a cost estimate for providing drawings, specifications and implementation of the proposed capital work was prepared.

“NAES has obtained cost estimates for the following capital projects:

	East Delaware Tunnel Outlet	
	<u>Priority</u>	<u>Cost</u>
- Assess/Test Contaminants-of-Concern Condition	<u>1</u>	\$30,000
- Remediate Contaminants of Concern	<u>1</u>	\$500,000
- Install Emergency Lighting and Evacuation Alarm System	<u>1</u>	\$100,000
- Repair Main Plant Isolation Valve (DOW)	<u>1</u>	\$750,000

October 30, 2007

- Upgrade or Replace Main Generator Fire Protection System	<u>1</u>	\$200,000
- Replace Existing Boilers and Control System	<u>1</u>	\$85,000
- Remove two USTs at EDTO, install AST	<u>1</u>	\$150,000
- 15kV Switchgear Replacement	<u>2</u>	\$330,000
- Arc Flash Study	<u>2</u>	\$40,000
- Generator Exciter/Voltage Regulator Replacement	<u>2</u>	\$585,000
- Containment Separation, Modernization, and Monitoring for Main Station Sumps	<u>2</u>	\$200,000
- Indoor Relay Control Panels	<u>2</u>	\$600,000
- New Oil Spill Containment and Monitoring System for Main Transformers and Oil Containment Within Switchyard	<u>3</u>	\$215,000
- 125VDC Battery/Battery Rack and Charger Replacement	<u>3</u>	\$90,000
- Relocate or Replace Revenue Metering	<u>3</u>	\$100,000
- Parking Lot Paving	<u>3</u>	\$85,000
- Install Motorized Gate	<u>3</u>	\$20,000
- Office/Bathroom Remodel	<u>3</u>	\$100,000
- Study Conversion of Greasing Systems to Biodegradable Vegetable- Based Greases	<u>3</u>	\$22,000

Subtotal -----> \$4,202,000

Subtotal for 2008 Priority 1 items -----> \$1,815,000

**Neversink
Tunnel Outlet**

	<u>Priority</u>	<u>Cost</u>
- Installation of Interchange Metering Equipment	<u>1</u>	\$160,000
- Assess/Test Contaminants-of-Concern Condition	<u>1</u>	\$30,000
- Remediate Contaminants of Concern	<u>1</u>	\$500,000
- Install Emergency Lighting and Evacuation Alarm System	<u>1</u>	\$100,000
- Main Generator Fire Protection System	<u>1</u>	\$400,000
- Generator Exciter/Voltage Regulator Replacement	<u>1</u>	\$585,000
- SPCC Plan	<u>1</u>	\$20,000
- Indoor Relay Control Panels	<u>2</u>	\$600,000
- Arc Flash Study	<u>2</u>	\$40,000
- Reinforcement and Extension of Draft Tube Steel Liner and Repair of Damaged Concrete in the Draft Tube	<u>2</u>	\$205,000

- New Oil Spill Containment and Monitoring System for Main Transformers with Oil-Containing Equipment Within Switchyard	<u>2</u>	\$215,000
- Containment Separation, Modernization and Monitoring for Main Station Sumps	<u>2</u>	\$200,000
- Revenue Metering	<u>3</u>	\$100,000
- Parking Lot, Driveway Paving	<u>3</u>	\$85,000
- Study Conversion of Greasing Systems to Biodegradable Vegetable- Based Greases	<u>3</u>	\$22,000

Subtotal -----> \$3,262,000

Subtotal for 2008 Priority 1 items -----> \$1,795,000

“At this time, staff recommends proceeding with only the most critical items (Priority 1), in the amount of \$3.61 million. It is expected that the capital projects listed above will be completed by June 30, 2008. These cost estimates have been presented to and approved by NYC/DEP. The figures were presented to the City as part its proposed 2008 budget, totaling \$5.38 million. The latter budget figure captures the O&M costs and Priority-1-only capital improvements. On August 24, 2007, the City approved the 2008 budget.

“Contingent on Trustee approval, NAES will now move forward with evaluating bids and awarding contracts to complete the work. NAES, under the Authority’s oversight, will provide project management services to ensure that all related contracts are awarded per the Authority’s policies and procedures and that the work is completed in a safe and reliable manner.

“The Authority will continue to directly market the electric-generating energy, capacity and ancillary services and any other energy products produced by the Facilities and for which a market exists on behalf of the City.

“The City has reviewed the estimated expenditures and agrees to proceed with such improvements to increase the overall quality of the Facilities. Any award by NAES is conditioned on the Authority’s prior approval.

FISCAL INFORMATION

“Payments will be made from the Authority’s O&M Fund with the City to reimburse all costs (direct and administrative) associated with operating the Facilities.

RECOMMENDATION

“The Director – Budgets, the Corporate Secretary and Principal Attorney II, the Vice President – Project Management, the Vice President – Procurement and Real Estate and the Regional Manager – Central New York recommend that the Trustees authorize \$3.61 million for a change order to North American Energy Services.

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President – Corporate Services and Administration, the Executive Vice President and Chief Financial Officer, the Senior Vice President and Chief Engineer – Power Generation, the Vice President – Controller and I concur in the recommendation.”

Mr. Thomas Antenucci presented the highlights of staff's recommendations to the Trustees. In response to a question from Chairman McCullough, Mr. Antenucci said that this additional work had been contemplated at the time of the original contract.

The following resolution, as submitted by the President and Chief Executive Officer, was adopted by a vote of 5 to 1 with Trustee Besha recusing.

RESOLVED, That pursuant to the Guidelines for Procurement Contracts and the Expenditure Authorization Procedures adopted by the Authority, expenditures in the amount of \$3.61 million are approved as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

Capital

Implement priority 1 critical capital projects at the NYC/DEP plants

Contract Approval

\$3,610,000

12. Security Enhancement Program – Phase III – Security Enhancement Project – Expenditure Authorization

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the initiation of Phase III of an ongoing security enhancement and assessment program with a capital expenditure of \$14.1 million from October 2007 thru December 31, 2009. The expenditure represents enhancements to the Authority’s facilities where security assessments are completed, including final design and installation.

BACKGROUND

“The Security Enhancement Program was established to identify and enhance the protection of power generation and transmission infrastructure and assets that are deemed most critical in terms of public safety and business continuity. The program is supervised by the Executive Security Team and uses specialized security consultants to assist staff in evaluating and designing site-specific procedures and defenses to address vulnerabilities.

DISCUSSION

“Phase I of the Program has been completed, Phase II is under way and Phase III is now in the early stages of implementation.

FISCAL INFORMATION

“Payments will be made from the capital fund.

RECOMMENDATION

“The Vice President – Project Management, the Vice President – Engineering and the Vice President – Corporate Security and Inspector General recommend that the Trustees approve Phase III of the Security Enhancement Program and authorize capital expenditures of \$14.1 million.

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President – Chief Financial Officer, the Senior Vice President and Chief Engineer – Power Generation and I concur in the recommendation.”

Mr. Thomas Antenucci presented the highlights of staff’s recommendations to the Trustees. In response to a question from Chairman McCullough, Mr. Antenucci said that Phase III is expected to take two years.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Security Enhancement Program – Phase III – Security Enhancement Project is approved and that capital expenditures are hereby approved to be committed in accordance with the Authority’s Expenditure Authorization Procedures in the amount of \$14.1 million; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

**13. New York Power Authority Other Post-Employment Benefits Trust
Fund: Selection of Investment Managers and Authorization to Appoint
an Additional Dealer for the Taxable Commercial Paper Program**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the award of a selected number of multiyear procurement contracts relating to professional investment management services in connection with the Authority’s Other Post-Employment Benefits Trust Fund and to authorize the appointment of Lehman Brothers Inc. as an additional dealer for marketing the Authority’s Taxable Commercial Paper Notes.

BACKGROUND

“Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year. The terms of the contracts considered herein are for more than one year and, therefore, Trustee approval is required.

“Certain Governmental Accounting Standards Board (‘GASB’) standards¹ issued in 2004 require governmental employers to account for other post-employment benefits (‘OPEB’) liabilities on an ‘accrual’ basis, i.e., as the benefits are earned during the working career of the employee, rather than the ‘pay-as-you-go’ basis, where costs are recorded as the benefits are paid during the employee’s retirement. As of December 31, 2006, the Authority’s unfunded actuarial accrued liability for OPEB was \$325 million.

“At their meeting of December 19, 2006, the Trustees authorized staff to initiate certain actions to establish a separately managed Trust for OPEB, which included: establishing the parameters of a trust; developing investment guidelines and competitively searching and/or soliciting for a financial management consultant, investment manager(s) and Trustee Custodian.

“At their July 31, 2007 meeting, the Trustees (1) approved the creation of the New York Power Authority Other Post-Employment Benefits Trust; (2) adopted the Trust Investment Policy Statement; (3) appointed The Bank of New York (Mellon) as Trustee Custodian and (4) approved an initial \$225 million funding plan, including the transfer of \$100 million from the OPEB Reserve within the Operating Fund and the issuance of \$125 million in taxable commercial paper for deposit into the Trust.

“The Authority’s Commercial Paper Program is authorized pursuant to the Resolution Authorizing Commercial Paper Notes (‘Resolution’) adopted by the Authority on June 28, 1994, as subsequently amended and supplemented. The Resolution authorizes the issuance of general obligation notes known as ‘Power Authority Commercial Paper Notes,’ which may be issued as separate series of Notes from time to time in accordance with the provisions of the Resolution. Currently, three series of Commercial Paper Notes, designated as Series 1, Series 2 and Series 3, have been authorized and are outstanding. A fourth series, Series 4 Notes, is authorized, but no Series 4 Notes are currently outstanding. Series 1 and Series 2 consist of Notes, the interest on which is excluded from gross income for federal income tax purposes (‘Tax-Exempt Notes’) and Series 3 consists of Notes, the interest on which is not excluded from gross income for federal income tax purposes (‘Taxable Notes’). The Resolution authorizes the issuance of Series 1 Notes up to a maximum amount of \$400 million, Series 2 Notes up to a maximum amount of \$450 million, Series 3 Notes up to a maximum amount of \$350 million and Series 4 Notes up to a maximum amount of \$220 million.

¹ These standards include Statement No. 43 – Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans and Statement No. 45 – Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.

“The Trust Investment Policy Statement included a strategy for diversification among five Asset Types and 10 classes so as to be aligned with the Authority’s overall return objectives and risk tolerances. The following table summarizes these various categories and the initial percentage targets for each class of investment:

Asset Type	Target % Allocation	Range of Allocation
Equities	61%	
Domestic Equity	42%	37% - 47%
- Large Cap – Value	- 9%	
- Large Cap – Growth	- 9%	
- All Cap – Core	- 18%	
- Small Cap – Core	- 6%	
International Equity	19%	14% - 24%
- Value	- 9.5%	
- Growth	- 9.5%	
Real Estate (REITs)	6%	1% - 11%
- Public	- 6%	
- Private	- 0%	
Fixed Income	33%	
Domestic Fixed Income	30%	25% - 35%
- Core Fixed Income	- 15%	
- Intermediate	- 15%	
Cash Equivalent	3%	0% - 10%

DISCUSSION

“Pursuant to the above-mentioned Trustee authorization, staff solicited proposals for professional investment management services for the 10 investment classes by notice to a number of firms providing such services and by advertisement in the New York State Contract Reporter. The Authority received a total of 52 proposals from 32 different firms, as summarized on Exhibit ‘13-A.’ In nine of the 10 classes, a sufficient number of responses were received for consideration. In one class, Real Estate – Private, only one response was received and this was deemed insufficient to make a recommendation. Staff determined that the proposed size of the Authority’s planned investment in this class was too small to attract the interest of investment managers, so the portion of assets allocated for this class will be distributed among the other investment classes within the already approved investment ranges.

“Staff, with the support of its financial advisor, PFM Advisors, evaluated each proposal according to various criteria, including, but not limited to, performance, performance consistency and volatility, correlation to market, schedule of fees and supporting organizational capabilities. Based on this evaluation, the following recommendations are presented:

Recommended Investment Managers – Domestic Equities:

- Large Cap – Value (8 proposals): Brandywine Global Investment Management, LLC
- Large Cap – Growth (8 proposals): BlackRock, Inc.
- All Cap – Core (4 proposals): State Street Global Advisors
- Small Cap – Core (4 proposals): Denver Investment Advisors, LLC

Recommended Investment Managers – International Equities

- Value (3 proposals): Brandywine Global Investment Management, LLC
- Growth (4 proposals): Baring Asset Management

Recommended Investment Managers – Other Equities (Real Estate)

- Public (6 proposals): Urdang Securities Management, Inc.
- Private (1 proposal): None

Recommended Investment Managers – Fixed Income

Full Duration (8 proposals): Evergreen Investments (Tatersall Advisory Group)
Intermediate (6 proposals): C. S. McKee, LP

“The recommended manager for each class has shown steady performance against its respective benchmark averages over the past seven years. Overall risk-adjusted returns showed solid results and each firm is backed by appropriate research support. On the basis of the evaluation criteria established for this review by staff and its financial advisor, each of the recommended investment managers scored the highest in their respective categories. In order to achieve consistency and stability in the management of the Trust’s assets, it is recommended that each of the above-listed investment managers be awarded a 5-year contract, subject, however, to early termination at any time by the Authority on 60 days’ notice.

“With respect to its Commercial Paper Program, the Authority currently uses a field of seven commercial paper dealers, including: Bear Stearns, Citigroup, Goldman Sachs, JPMorgan, Lehman Brothers, RBC Dain Rauscher and UBS, only two of which are authorized for the Taxable Notes Program. With the anticipated increase in the use of Taxable Notes to support the establishment of the OPEB Trust, it is recommended that another dealer be added to the list of authorized dealers for the Taxable Notes. Accordingly, staff is recommending that Lehman Brothers, which is already an authorized dealer of the Authority’s Tax-Exempt Notes, be included as an additional dealer for marketing the Authority’s Taxable Commercial Paper Notes. This authorization would provide increased flexibility and diversification for the Commercial Paper Note program with a dealer that is well known to the Authority and would thus better allow the Authority to meet its OPEB obligations.

FISCAL INFORMATION

“The fees for the Investment Managers will be paid from OPEB Trust Fund (‘Fund’) assets. While the fee structure for each asset class varies, the overall average totals 49 basis points (a basis point is equal to 1/100th of 1 percent, or 0.01%). The fees should equal about \$1.1 million per year, growing somewhat as the Fund’s assets grow. Over the course of the recommended 5-year term of the investment management contracts, fees are estimated to total about \$6.6 million, assuming a normal growth rate in the Fund’s Assets.

“The commercial paper that staff intends to amortize over a 10-year period will provide additional earning opportunities for the Fund. It is estimated that the issuance of commercial paper for this purpose will provide more than \$20 million in additional savings.

RECOMMENDATION

“The Vice President – Finance recommends the Trustees’ approval of the award of multiyear service contracts to the nine investment managers so named and described above for the New York Power Authority Other Post-Employment Benefit Trust Fund and that the Trustees also appoint Lehman Brothers Inc. as an additional dealer for marketing up to \$125 million of the Authority’s Taxable Commercial Paper Notes.

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President and Chief Financial Officer and I concur in the recommendation.”

Mr. Donald Russak presented the highlights of staff’s recommendations to the Trustees. In response to a question from Chairman McCullough, Mr. Russak said that staff would report back to the Trustees on the financial performance of the Trust Fund on a quarterly basis beginning next year.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award and funding of the multiyear investment management service contracts for the New York Power Authority Other Post-Employment Benefits Trust (“Trust”) are hereby approved and their execution by the Executive Vice President and Chief Financial Officer or his designee is approved, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff, on behalf of the Authority, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That Lehman Brothers Inc. is appointed as an additional Commercial Paper Dealer for marketing up to \$125 million of the Authority’s Taxable Commercial Paper Notes; and be it further

RESOLVED, That the Vice President – Finance or the Treasurer is hereby authorized to enter into a Commercial Paper Dealer Agreement with Lehman Brothers Inc. for marketing up to \$125 million of the Authority’s Taxable Commercial Paper Notes, having such terms and conditions as the Vice President – Finance or the Treasurer deems necessary or advisable, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

Exhibit A - New York Power Authority Other Post-Employment Benefit Trust Investment Manager Responses

Bidder's Name			DOMESTIC EQUITY				INTERNATIONAL		REAL ESTATE		FIXED INCOME	
			Large Cap Value	All Cap Core Index	Large Cap Growth	Small Cap Core	Value	Growth	Public	Private	Full Duration	Intermedate
Barclays Global Investors	1	ETF Strategy						X				
Baring Asset Management	1	Focused International Plus Equity						X				
BlackRock	1	Small Cap Core Equity				X						
BlackRock	1	Equity Index		X								
BlackRock	1	Large Cap Value	X									
BlackRock	1	Large Cap Growth			X							
BlackRock	1	Granite Property Fund								X		
BNY Mellon Asset Management	1	BNY Russell 3000 Index Series		X								
BNY Mellon Asset Management	1	Newton EB NCML EAFE Plus Fund						X				
Brandywine Global Investment Management	1	International Value Equity					X					
Brandywine Global Investment Management	1	Fundamental Large Cap Value Equity	X									
CS McKee	1	Intermediate Gov't Credit Fixed Income										X
CS McKee	1	Aggregate Fixed Income									X	
Davis, Hamilton, Jackson & Associates	1	Intermediate Fixed Income										X
Davis, Hamilton, Jackson & Associates	1	Aggregate Fixed Income									X	
Eagle Capital Management	1	Eagle Equity			X							
Evergreen Investments	1	Disciplined International Core Equity					X					
Evergreen Investments	1	MetWest Intrinsic Value	X									
Evergreen Investments	1	TAG - Intermediate Core Fixed Income										X
Evergreen Investments	1	TAG - Core Fixed Income									X	
Global Capital Management	1	GCM Small-Mid Cap Core				X						
Halibus Capital Management (USA), Inc.	1	Core Bond Fixed Income									X	
Halibus Capital Management (USA), Inc.	1	Intermediate Fixed Income										X
JP Morgan Asset Management	1	Large Cap Value	X									
Julius Baer Investment Management	1	International Equity II						X				
Lehman Brothers	1	Core Bond Strategy									X	
Lehman Brothers	1	Intermediate Bond Strategy										X
Mellon Equity Associates	1	Large Cap Growth			X							
Mellon Equity Associates	1	Large Cap Value	X									
Neuberger Berman (Lehman)	1	Large Cap Disciplined Growth			X							
Neuberger Berman (Lehman)	1	Real Estate Investment Trust							X			
Northern Trust	1	Structured Small Cap				X						
Pioneer Investments	1	Equity Income	X									
Pioneer Investments	1	Core Bond Fixed Income									X	
Principal Financial Group	1	Philadelphia International Equity					X					
Principal Financial Group	1	Natixis AEW Diversified REIT							X			
Principal Financial Group	1	Advanced Investment Partners		X								
Principal Financial Group	1	Ashfield Advantage Large Cap Growth			X							
Principal Financial Group	1	Delaware Large Cap Value	X									
Principal Financial Group	1	Denver Investment Small Cap Core				X						
Principal Financial Group	1	Sovereign Taxable Fixed Income										X
Principal Financial Group	1	Pacific Income Core Bond II									X	
Prudential Real Estate Investors	1	Global Real Estate							X			
Security Capital	1	Security Capital - Growth and Income							X			
Standish Mellon	1	High Quality Core Fixed Income									X	
State Street Global Advisors	1	Russell 3000 Index		X								
State Street Global Advisors	1	US Active Large Cap Growth			X							
State Street Global Advisors	1	Tuckerman Active REIT Strategy							X			
The Boston Company Asset Management	1	US Large Cap Growth Equity			X							
The Boston Company Asset Management	1	Dynamic Value Equity	X									
Urdang (BNY Mellon)	1	Urdang Total Return							X			
Victory Capital Management	1	Newbridge Growth Equity			X							
TOTALS	52		8	4	8	4	3	4	6	1	8	6

14. Amendment to the Authority's By-laws

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to amend the Authority’s By-laws to (i) provide for the creation of a new position: Executive Vice President – Energy Marketing and Corporate Affairs; (ii) increase the membership of the Governance Committee to three members and (iii) reflect ancillary and incidental corrections.

“For the reasons set forth below, the Trustees are requested to approve the following amendments to the Authority’s By-laws:

- (1) Amend Article IV, Section 2 to provide for the election of the Executive Vice President – Energy Marketing and Corporate Affairs as a non-statutory officer and to correct the title of the head of Internal Audits and Corporate Compliance from Director to Vice President;
- (2) Amend Article IV, Section 3 to add the title of Executive Vice President – Energy Marketing and Corporate Affairs to the list of non-statutory officers having a term of office;
- (3) Amend Article IV, Section 6(G) to amend the duties of the Executive Vice President – Corporate Services and Administration to delete those duties now assigned to the Executive Vice President – Energy Marketing and Corporate Affairs;
- (4) Amend Article IV, and add a new Section 6(I), to establish the reporting responsibilities and duties of the Executive Vice President – Energy Marketing and Corporate Affairs;
- (5) Amend Article V, Section 1 to add the Executive Vice President – Energy Marketing and Corporate Affairs to the Executive Management Committee; and
- (6) Amend Article V, Section 3 to increase the number of Governance Committee members from two to three.

“The amended By-laws are set forth in Exhibit ‘14-A1’ attached hereto. A redlined version with strikethroughs denoting deletions and underlining reflecting new language is attached as Exhibit ‘14-A2.’

DISCUSSION

Creation of New Senior Management Position

“The new senior management position of Executive Vice President – Energy Marketing and Corporate Affairs is being created to consolidate certain of the Authority’s functional units within a single business unit so that the Authority can more effectively customize and promote offerings around the Authority clients’ strategic needs in the advancement of the Authority’s mission. These business units, Energy Services and Technology, Marketing and Economic Development, Power Resource Planning and Acquisition and Governmental and Public Affairs, by working together, will be able to better coordinate the Authority’s outreach efforts to its key external stakeholder groups. As a result of the creation of the new position, the By-laws require amendments to reflect the change.

Increase in Membership of the Governance Committee

“The Public Authorities Accountability Act of 2005 (the ‘Act’) added a new section to the Public Authorities Law (Section 2824) clearly delineating the roles and responsibilities of board members of public authorities. The core responsibility of the Trustees is the direct oversight of the Authority’s chief executive and other senior management in the effective and ethical management of the Authority. The Act also increased the Authority’s Board of Trustees from five to seven members. In addition, the Act requires that boards of public authorities be informed of corporate governance trends and update their corporate governance principles. The

Governance Committee currently performs this function. However, to strengthen its role, it is proposed that the Governance Committee be increased from two to three members.

“Increasing the Governance Committee from two to three members will aid significantly in providing for greater Trustee participation in the governing affairs of the Authority. In addition, in the event that one committee member is unable to participate at a scheduled meeting, at least two members will be present to review, consider and approve/disapprove items. Moreover, increasing the number of Committee members provides for a truly deliberative process consistent with sound governance principles.

RECOMMENDATION

“The Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President – Corporate Services and Administration, the Executive Vice President and Chief Financial Officer and I recommend that the Trustees approve the proposed By-laws amendments. “

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the revisions to the By-laws, which By-laws were adopted on February 29, 1989, and last amended on April 24, 2007, and which revisions are discussed in the foregoing report of the President and Chief Executive Officer and are attached hereto as Exhibit “A-1,” be hereby adopted; and be it further

RESOLVED, That the President and Chief Executive Officer, the Executive Vice President, General Counsel and Chief of Staff, the Executive Vice President – Chief Financial Officer, the Corporate Secretary, the Vice President – Security and Inspector General, the Treasurer, the Vice President – Ethics and Regulatory Compliance, the Vice President – Procurement and Real Estate, the Vice President – Internal Audit and Corporate Compliance and their designees are hereby authorized to take all actions and to do all things necessary to implement such amended By-laws and to assist the operations and oversight functions of such Governance Committee.

**BY-LAWS
of the
POWER AUTHORITY
OF THE STATE OF NEW YORK**

Statutory Authority
Public Authorities Law §1004

Originally AdoptedApril 9, 1954,
and amended..... July 28, 1954;
September 28, 1956;
May 1, 1961;
December 19, 1966;
July 1, 1968;
April 27, 1978;
November 28, 1978;
October 31, 1979;
December 18, 1984;
January 22, 1985;
October 29, 1985;
April 29, 1986;
February 28, 1989;
February 22, 1994;
April 26, 1994;
August 29, 1995;
December 17, 1996;
September 11, 1997;
December 15, 1998;
October 26, 1999;
November 28, 2000;
April 30, 2002;
February 28, 2006;
April 28, 2006;
April 24, 2007;
October 30, 2007

**Power Authority of the State of New York
30 South Pearl Street
Albany, New York 12207**

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ARTICLE I - Offices

Section 1. Principal Office

The principal office of the Power Authority of the State of New York (hereinafter referred to as the "Authority") shall be its Albany Office.

Section 2. Other Offices

The Authority may also have offices at such other places as the Trustees may from time to time determine or the business of the Authority may require.

Section 3. Books and Records

Except as otherwise determined by the Trustees, or as the business of the Authority may require, all books and records of the Authority shall be kept at its White Plains, New York office.

ARTICLE II - Trustees

Section 1. Number, Term, Appointment and Vacancies

The number and term of Trustees and the appointment and process of filling vacancies shall be governed by Title 1 of Article 5 of the Public Authorities Law, Chapter 870, Laws of New York, 1939, as amended (hereinafter referred to as "Power Authority Act").

Section 2. Powers and Duties

The powers and duties of the Trustees shall be governed by the Power Authority Act. To implement these power and duties, the Trustees shall oversee the Authority's chief executive and other senior management in the effective and ethical management of the Authority; understand, review and monitor financial, management and operational decisions of the Authority and approve annually the salary, compensation, and benefits, as well as time and attendance policies, of the chief executive and all senior management.

ARTICLE III - Trustees' Meetings

Section 1. Place of Meetings

Meetings of the Trustees shall be held at the principal office of the Authority or at such other place as the Trustees may from time to time designate.

Section 2. Annual Meeting

The annual meeting of the Trustees shall be held in March of each year, unless otherwise determined by them and at such time and place as the Trustees may from time to time designate.

Section 3. Regular Meetings

Regular meetings of the Trustees shall be held in accordance with a schedule adopted annually by the Trustees for that purpose and may be changed from time to time within that year by the Chairman in consultation with the Trustees.

Section 4. Special Meetings

Special meetings of the Trustees may be called by the Chairman or Vice Chairman or upon the request of any three Trustees. The Corporate Secretary shall give notice of the time, place and purpose or purposes of each special meeting by mail at least three days before the meeting or in person or by telephone or facsimile at least

two days before the meeting to each Trustee. The notice required to be given under this section may be waived by the Trustee to whom such notice is required to be given.

Section 5. Quorum

At all Trustees' meetings, the presence of four Trustees shall be necessary to constitute a quorum and shall be sufficient for the transaction of business. Any act shall be sufficient for the transaction of business if such four Trustees are in agreement and any act of such four Trustees present at a meeting and which constitutes a quorum shall be an act of the Trustees.

ARTICLE IV - Officers

Section 1. Officers

The statutory officers of the Authority shall be a Chairman and a Vice Chairman, whose offices are created by and named in Section 1004 of the Public Authorities Law and who shall be chosen from among the Trustees; the non-statutory officers of the Authority shall be a President and Chief Executive Officer, a Chief Operating Officer, one or more Executive Vice Presidents, an Executive Vice President and General Counsel, a Corporate Secretary, a Treasurer, a Controller, and such other officers as may be deemed necessary by the President and Chief Executive Officer to transact the business and exercise the general and special powers of the Authority, all of whom shall be employees of the Authority.

Section 2. Election and Appointment of non-statutory Officers

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President - Power Generation, the Executive Vice President - Corporate Services and Administration, Executive Vice President – Chief Financial Officer, the Executive Vice President – Energy Marketing and Corporate Affairs and the Corporate Secretary shall be elected annually at the annual Trustees' meeting. In addition, such officers may be elected from time to time at any regular or special meeting of the Trustees. All other officers of the Authority shall be appointed by and serve at the pleasure of the President and Chief Executive Officer, except that the Vice President – Internal Audits and Corporate Compliance shall be appointed by and serve at the pleasure of the Audit Committee.

Section 3. Term of Office

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Corporate Secretary, the Executive Vice President - Power Generation, the Executive Vice President – Chief Financial Officer, the Executive Vice President – Energy Marketing and Corporate Affairs and the Executive Vice President - Corporate Services and Administration shall hold office for a term expiring at the next annual Trustees' meeting or until their successors are elected.

Section 4. Vacancies

The Trustees may leave unfilled for any such period any office except those of Chairman, Vice Chairman, President and Chief Executive Officer, Executive Vice President and General Counsel, or Corporate Secretary.

Section 5. Removal

Any officer elected by the board or appointed pursuant to Section two herein shall be subject to removal at any time by the appointing authority with or without cause.

Section 6. Powers and Duties

A. Chairman

The Chairman shall preside at all meetings of the Trustees and shall on behalf of the Trustees oversee the Authority's chief executive and senior management in the effective and ethical management of the Authority. The

Chairman may appoint such assistants and employees as he may deem necessary in order to perform such function and may fix their power, duties and compensations. The Chairman may delegate to the Vice Chairman, President and Chief Executive Officer, or other officer or officers such of the Chairman's powers and functions in the general supervision of the business of the Authority.

B. Vice Chairman

The Vice Chairman shall possess such powers and shall perform such duties as may be assigned to him from time to time by the Trustees. The Vice Chairman shall be Acting Chairman in the absence or incapacity of the Chairman and shall assume the powers and perform all duties of the Chairman if the Chairman is unable to perform such duties for any reason. The Vice Chairman, when acting in the capacity of Acting Chairman under this section, may delegate the powers or duties of Chairman to another Trustee or the President and Chief Executive Officer during the period of disability or incapacity of the Chairman.

C. President and Chief Executive Officer

The President, where elected by the Trustees, shall be the Chief Executive Officer of the Authority and subject to such supervision as the Chairman or the Trustees may from time to time exercise, shall have such duties and powers as hereinafter described and as customarily pertain to such office. Except as may be prescribed by the Chairman or the Trustees, the President and Chief Executive Officer shall have general supervision over the property, business and affairs of the Authority and over its several officers, employees and agents other than the Chairman, the Vice Chairman and those officers reporting directly to the Chairman. The President and Chief Executive Officer may sign, execute and deliver in the name of the Authority powers of attorney, contracts, agreements, leases, notes, checks, drafts, bonds, obligations and such documents other than those required by these By-laws, law or resolution to be executed by the Chairman and/or the Corporate Secretary. The President and Chief Executive Officer may delegate to such officers as he or she appoints such of the President and Chief Executive Officer's powers and functions in the general supervision and control of the business of the Authority as he or she deems appropriate.

D. Chief Operating Officer

The Chief Operating Officer, at the direction of the President and Chief Executive Officer, shall manage and monitor the day-to-day activities of the Authority and shall report on same to the President and Chief Executive Officer.

E. Vice Presidents and Other Officers

Chief Operating Officer, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Treasurer, Controller, Corporate Secretary and Inspector General, shall exercise such other powers and perform such duties as customarily pertain to such officers and as may be assigned to them by the Chairman, Trustees, or the President and Chief Executive Officer. The activities of the Authority shall be organized into offices and departments as determined by the President and Chief Executive Officer after consultation with the Chairman and Trustees.

F. Executive Vice President and General Counsel

There shall be an Executive Vice President and General Counsel of the Authority, who shall report to both the Trustees and the President and Chief Executive Officer and be the chief legal officer of the Authority. In that capacity, he shall advise and represent the Authority generally in all legal matters and proceedings, including legislative proceedings, shall designate those employees who shall be eligible to accept service of process on behalf of the Authority and possess such powers and shall have general supervision over the property, business and affairs of the Office of the General Counsel.

G. Executive Vice President – Corporate Services and Administration

The Executive Vice President – Corporate Services and Administration, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Authority in relation to the procurement of good and services, management of real estate and interests therein, shall be responsible for the implementation and

management of human resources polices and practices, including employee compensation and benefits, employee/organizational development, employee and labor relations, and shall undertake any other administrative responsibilities that support the mission of the Authority.

H. Executive Vice President and Chief Financial Officer

The Executive Vice President and Chief Financial Officer, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Business Services Division, give advice to the President and Chief Executive Officer regarding financial and investment policies of the Authority, supervise the Authority's investment program, recommend and implement financial policies of the Authority, participate in the preparation of the financial reports of the Authority required by applicable law.

I. Executive Vice President – Energy Marketing and Corporate Affairs

The Executive Vice President – Energy Marketing and Corporate Affairs, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Energy Marketing and Corporate Affairs business unit by (i) managing and directing the coordination of the delivery of the Authority's client-based programs, (ii) managing and directing the Authority's public and governmental affairs department and (iii) supervising, in a matrix organizational structure, new products and project development, if, as and when the Authority elects to develop and build new assets,

J. Corporate Secretary

The Corporate Secretary shall report to the Chairman and Board of Trustees and attend all meetings of the Trustees and record all votes and shall keep a record of the proceedings of the Trustees in a Minute Book to be kept for that purpose. The Corporate Secretary shall cause notice to be given of all meetings of the Trustees and shall be custodian of the records of the actions of the Trustees and shall keep in safe custody the seal of the Authority and shall have the authority to affix such seal to all documents and papers authorized to be executed by the Trustees or officers of the Authority requiring such seal to be affixed. The Corporate Secretary shall attest to the signatures of the Trustees and officers of the Authority and shall have the authority to cause copies to be made of all minutes, resolutions, records and documents of the Authority and to deliver certificates under seal to the effect that such copies are true and accurate and that all persons dealing with the Authority may rely on same.

K. Treasurer

The Treasurer shall have general custody of all funds and securities of the Authority and have general supervision of the collection and disbursement of Authority funds and shall endorse on behalf of the Authority for collection checks, notes and other obligations, and shall deposit the same to the credit of the Authority in such bank or banks or depositories as the Trustees may designate. The Treasurer may sign with the President and Chief Executive Officer, or such other person or persons as may be designated for such purpose by the Trustees, all bills of exchange or promissory notes of the Authority.

L. Controller

The Controller shall be in charge of the accounting operations, the preparation of fiscal accounts and the coordination of all external audits of the Authority.

M. Vice President - Internal Audits and Corporate Compliance

There shall be a separate Office of Internal Audits and Corporate Compliance which shall report to the Audit Committee and shall have such other powers and perform such other duties as customarily pertain to such officer and as may be assigned to it by the President and Chief Executive Officer. The Vice President of Internal Audits and Corporate Compliance shall meet at least three times per year with the Audit Committee.

N. Inspector General

There shall be a separate Inspector General which shall report to the Audit Committee and shall have such other powers and perform such other duties as customarily pertain to such officer. The Inspector General shall meet at least three times per year with the Audit Committee.

O. Succession – Absence or Vacancy of Office of President and Chief Executive Officer

In the event of the incapacity or absence of the President and Chief Executive Officer, the Chief Operating Officer shall perform the duties of President and Chief Executive Officer. If the office of Chief Operating Officer is vacant or the incumbent is absent, then the Executive Vice President – Corporate Services and Administration shall perform the duties of the President and Chief Executive Officer. If the offices of Chief Operating Officer and Executive Vice President – Corporate Services and Administration is vacant or the respective incumbents are absent, then the Executive Vice President – General Counsel shall perform the duties of the President and Chief Executive Officer. If the offices of Chief Operating Officer, Executive Vice President – Corporate Services and Administration and Executive Vice President and General Counsel are vacant or the respective incumbents are absent, then the Executive Vice President – Chief Financial Officer shall perform the duties of the President and Chief Executive Officer.

ARTICLE V - Committees

Section 1. Executive Management Committee

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President - Power Generation, the Executive Vice President - Corporate Services and Administration, the Executive Vice President – Chief Financial Officer, the Executive Vice President – Energy Marketing and Corporate Affairs and such other officers as the President and Chief Executive Officer may from time to time designate shall be members of an Executive Management Committee which shall periodically review and propose Authority corporate strategies, policies and programs and shall report on and make recommendations, with the Chairman's concurrence, to the Trustees. Any officer so designated shall serve at the pleasure of the President and Chief Executive Officer.

The President and Chief Executive Officer, or in his absence or disability his designee, shall preside at Executive Management Committee meetings, which shall meet quarterly or more often as the President and Chief Executive Officer may designate.

Section 2. Audit Committee

The Audit Committee shall consist of three eligible Trustees and have oversight of such activities of the Authority as set forth in the Audit Committee Charter adopted by the Trustees and may exercise such powers as the Trustees shall from time to time determine.

Section 3. Governance Committee

The Governance Committee shall consist of three eligible Trustees, and have oversight of such activities of the Authority as set forth in the Governance Committee Charter adopted by the Trustees and may exercise such powers as the Trustees shall from time to time determine.

Section 4. Other Committees

The Trustees or the Chairman may appoint other committees which shall have and may exercise such powers as shall be authorized by the Trustees or by actions of the Chairman or President and Chief Executive Officer.

ARTICLE VI - Corporate Seal

Section 1. Seal

The seal of the Authority shall be a design symbolizing its activities and shall be surrounded by the words "Power Authority of the State of New York" as shown by the following impression of such seal:



ARTICLE VII - Fiscal Management

Section 1. Fiscal Year

The Trustees shall have the power to fix, and may, from time to time change by resolution, the fiscal year of the Authority. Unless otherwise fixed by the Trustees, the calendar year shall be the fiscal year.

Section 2. Strategic Plan

The Trustees shall annually review a strategic plan developed by the Executive Management Committee which shall become the basis for the development of departmental plans, the annual budget and the capital expenditure plan.

Section 3. Annual Budgets

The Trustees shall annually adopt an operation and maintenance budget and a capital budget for the Authority's operating facilities and support departments.

Section 4. Capital Expenditure Plan

The Trustees shall review an annual capital expenditure plan which shall summarize all present and proposed capital projects.

Section 5. Expenditure Authorization Procedures

The Trustees shall adopt expenditure authorization procedures which shall govern the annual budget, capital expenditure plan, contract executions and all approval authorizations.

Section 6. Disbursement of Funds

The Trustees, except as otherwise provided in these By-laws, may authorize any officer or other employee to execute any requisition, voucher, draft or check for the disbursement or transfer of funds of the Authority.

ARTICLE VIII - Execution of Instruments

Section 1. Execution of Instruments

The Trustees, except as otherwise provided in these By-laws, may authorize any officer, employee or agent pursuant to the expenditure authorization procedures or otherwise, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such power to execute and deliver may be general or specific; unless so authorized, no officer, employee or agent shall have any power or authority to bind the Authority by any contract or engagement or pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

ARTICLE IX - Amendment

Section 1. Amendment

The Trustees shall have the power to amend, alter or repeal any provision or provisions of these By-laws at any regular or special meeting.

ARTICLE X - Miscellaneous

Section 1. Additional Appointments

The President and Chief Executive Officer shall appoint all regional managers and site executive officers. The Trustees may extend employment contracts to one or more officers of the Authority, in order to insure continuity of senior management.

Section 2. Annual Reports

The Trustees shall submit an annual report, as prescribed by the Public Authorities Law, within ninety days after the close of the fiscal year.

Section 3. Defense and Indemnification of Trustees and Employees

The provisions of the Defense and Indemnification Policy ("Policy") of the Authority as amended and adopted on April 26, 1994, and the provisions of the resolution as amended and adopted by the Authority on April 26, 1994, conferring the benefits of Section 18 of the New York Public Officers Law ("POL § 18") on the Authority's Trustees and Employees and agreeing to be held liable for the costs thereof, shall constitute a contract between the Authority and each of its Trustees and Employees, as such persons are defined in the Policy, and the Authority agrees that the benefits thereof shall be made available to each Trustee or Employee with respect to any act or omission which has occurred or may in the future occur during the period such Policy and the resolution conferring the benefits of POL § 18 are in effect, and no amendment to such Policy or such resolution which modifies the provisions thereof shall take effect with respect to any act or omission of a Trustee or Employee which occurred prior to the effective date of such amendment unless the effect of such amendment is to increase the defense and indemnification protection afforded to such Trustee or Employee prior to such effective date.

Section 4. Corporate Policies and Procedures

Unless otherwise provided by statute or these By-laws, every officer or employee of the Authority shall be subject to the Authority's corporate policies and procedures as embodied in its corporate policies program.

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ARTICLE I - Offices

Section 1. Principal Office

The principal office of the Power Authority of the State of New York (hereinafter referred to as the "Authority") shall be its Albany Office.

Section 2. Other Offices

The Authority may also have offices at such other places as the Trustees may from time to time determine or the business of the Authority may require.

Section 3. Books and Records

Except as otherwise determined by the Trustees, or as the business of the Authority may require, all books and records of the Authority shall be kept at its White Plains, New York office.

ARTICLE II - Trustees

Section 1. Number, Term, Appointment and Vacancies

The number and term of Trustees and the appointment and process of filling vacancies shall be governed by Title 1 of Article 5 of the Public Authorities Law, Chapter 870, Laws of New York, 1939, as amended (hereinafter referred to as "Power Authority Act").

Section 2. Powers and Duties

The powers and duties of the Trustees shall be governed by the Power Authority Act. To implement these power and duties, the Trustees shall oversee the Authority's chief executive and other senior management in the effective and ethical management of the Authority; understand, review and monitor financial, management and operational decisions of the Authority and approve annually the salary, compensation, and benefits, as well as time and attendance policies, of the chief executive and all senior management.

ARTICLE III - Trustees' Meetings

Section 1. Place of Meetings

Meetings of the Trustees shall be held at the principal office of the Authority or at such other place as the Trustees may from time to time designate.

Section 2. Annual Meeting

The annual meeting of the Trustees shall be held in March of each year, unless otherwise determined by them and at such time and place as the Trustees may from time to time designate.

Section 3. Regular Meetings

Regular meetings of the Trustees shall be held in accordance with a schedule adopted annually by the Trustees for that purpose and may be changed from time to time within that year by the Chairman in consultation with the Trustees.

Section 4. Special Meetings

Special meetings of the Trustees may be called by the Chairman or Vice Chairman or upon the request of any three Trustees. The Corporate Secretary shall give notice of the time, place and purpose or purposes of each special meeting by mail at least three days before the meeting or in person or by telephone or facsimile at least

two days before the meeting to each Trustee. The notice required to be given under this section may be waived by the Trustee to whom such notice is required to be given.

Section 5. Quorum

At all Trustees' meetings, the presence of four Trustees shall be necessary to constitute a quorum and shall be sufficient for the transaction of business. Any act shall be sufficient for the transaction of business if such four Trustees are in agreement and any act of such four Trustees present at a meeting and which constitutes a quorum shall be an act of the Trustees.

ARTICLE IV - Officers

Section 1. Officers

The statutory officers of the Authority shall be a Chairman and a Vice Chairman, whose offices are created by and named in Section 1004 of the Public Authorities Law and who shall be chosen from among the Trustees; the non-statutory officers of the Authority shall be a President and Chief Executive Officer, a Chief Operating Officer, one or more Executive Vice Presidents, an Executive Vice President and General Counsel, a Corporate Secretary, a Treasurer, a Controller, and such other officers as may be deemed necessary by the President and Chief Executive Officer to transact the business and exercise the general and special powers of the Authority, all of whom shall be employees of the Authority.

Section 2. Election and Appointment of non-statutory Officers

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President - Power Generation, the Executive Vice President - Corporate Services and Administration, Executive Vice President – Chief Financial Officer, [the Executive Vice President – Energy Marketing and Corporate Affairs](#) and the Corporate Secretary shall be elected annually at the annual Trustees' meeting. In addition, such officers may be elected from time to time at any regular or special meeting of the Trustees. All other officers of the Authority shall be appointed by and serve at the pleasure of the President and Chief Executive Officer, except that the [Vice PresidentDirector](#) – Internal Audits and Corporate Compliance shall be appointed by and serve at the pleasure of the Audit Committee.

Section 3. Term of Office

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Corporate Secretary, the Executive Vice President - Power Generation, the Executive Vice President – Chief Financial Officer, [the Executive Vice President – Energy Marketing and Corporate Affairs](#) and the Executive Vice President - Corporate Services and Administration shall hold office for a term expiring at the next annual Trustees' meeting or until their successors are elected.

Section 4. Vacancies

The Trustees may leave unfilled for any such period any office except those of Chairman, Vice Chairman, President and Chief Executive Officer, Executive Vice President and General Counsel, or Corporate Secretary.

Section 5. Removal

Any officer elected by the board or appointed pursuant to Section two herein shall be subject to removal at any time by the appointing authority with or without cause.

Section 6. Powers and Duties

A. Chairman

The Chairman shall preside at all meetings of the Trustees and shall on behalf of the Trustees oversee the Authority's chief executive and senior management in the effective and ethical management of the Authority. The

Chairman may appoint such assistants and employees as he may deem necessary in order to perform such function and may fix their power, duties and compensations. The Chairman may delegate to the Vice Chairman, President and Chief Executive Officer, or other officer or officers such of the Chairman's powers and functions in the general supervision of the business of the Authority.

B. Vice Chairman

The Vice Chairman shall possess such powers and shall perform such duties as may be assigned to him from time to time by the Trustees. The Vice Chairman shall be Acting Chairman in the absence or incapacity of the Chairman and shall assume the powers and perform all duties of the Chairman if the Chairman is unable to perform such duties for any reason. The Vice Chairman, when acting in the capacity of Acting Chairman under this section, may delegate the powers or duties of Chairman to another Trustee or the President and Chief Executive Officer during the period of disability or incapacity of the Chairman.

C. President and Chief Executive Officer

The President, where elected by the Trustees, shall be the Chief Executive Officer of the Authority and subject to such supervision as the Chairman or the Trustees may from time to time exercise, shall have such duties and powers as hereinafter described and as customarily pertain to such office. Except as may be prescribed by the Chairman or the Trustees, the President and Chief Executive Officer shall have general supervision over the property, business and affairs of the Authority and over its several officers, employees and agents other than the Chairman, the Vice Chairman and those officers reporting directly to the Chairman. The President and Chief Executive Officer may sign, execute and deliver in the name of the Authority powers of attorney, contracts, agreements, leases, notes, checks, drafts, bonds, obligations and such documents other than those required by these By-laws, law or resolution to be executed by the Chairman and/or the Corporate Secretary. The President and Chief Executive Officer may delegate to such officers as he or she appoints such of the President and Chief Executive Officer's powers and functions in the general supervision and control of the business of the Authority as he or she deems appropriate.

D. Chief Operating Officer

The Chief Operating Officer, at the direction of the President and Chief Executive Officer, shall manage and monitor the day-to-day activities of the Authority and shall report on same to the President and Chief Executive Officer.

E. Vice Presidents and Other Officers

Chief Operating Officer, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Treasurer, Controller, Corporate Secretary and Inspector General, shall exercise such other powers and perform such duties as customarily pertain to such officers and as may be assigned to them by the Chairman, Trustees, or the President and Chief Executive Officer. The activities of the Authority shall be organized into offices and departments as determined by the President and Chief Executive Officer after consultation with the Chairman and Trustees.

F. Executive Vice President and General Counsel

There shall be an Executive Vice President and General Counsel of the Authority, who shall report to both the Trustees and the President and Chief Executive Officer and be the chief legal officer of the Authority. In that capacity, he shall advise and represent the Authority generally in all legal matters and proceedings, including legislative proceedings, shall designate those employees who shall be eligible to accept service of process on behalf of the Authority; and possess such powers and shall have general supervision over the property, business and affairs of the Office of the General Counsel. -

G. Executive Vice President – Corporate Services and Administration

The Executive Vice President – Corporate Services and Administration, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Authority in relation to the procurement of good and services, management of real estate and interests therein, shall be responsible for the implementation and

management of human resources policies and practices, including employee compensation and benefits, employee/organizational development, employee and labor relations, ~~shall supervise the Authority's governmental affairs activities~~ and shall undertake any other administrative responsibilities that support the mission of the Authority.

H. Executive Vice President and Chief Financial Officer

The Executive Vice President and Chief Financial Officer, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Business Services Division, give advice to the President and Chief Executive Officer regarding financial and investment policies of the Authority, supervise the Authority's investment program, recommend and implement financial policies of the Authority, participate in the preparation of the financial reports of the Authority required by applicable law.

I. Executive Vice President – Energy Marketing and Corporate Affairs

The Executive Vice President – Energy Marketing and Corporate Affairs, at the direction of the President and Chief Executive Officer, shall supervise and direct the activities of the Energy Marketing and Corporate Affairs business unit by (i) managing and directing the coordination of the delivery of the Authority's client-based programs, (ii) managing and directing the Authority's public and governmental affairs department and; (iii) supervising, in a matrix organizational structure, Nnew Pproducts and Pproject Ddevelopment, if, as and when the Authority elects to develop and build new assets,

J. Corporate Secretary

The Corporate Secretary shall report to the Chairman and Board of Trustees and attend all meetings of the Trustees and record all votes and shall keep a record of the proceedings of the Trustees in a Minute Book to be kept for that purpose. The Corporate Secretary shall cause notice to be given of all meetings of the Trustees and shall be custodian of the records of the actions of the Trustees and shall keep in safe custody the seal of the Authority and shall have the authority to affix such seal to all documents and papers authorized to be executed by the Trustees or officers of the Authority requiring such seal to be affixed. The Corporate Secretary shall attest to the signatures of the Trustees and officers of the Authority and shall have the authority to cause copies to be made of all minutes, resolutions, records and documents of the Authority and to deliver certificates under seal to the effect that such copies are true and accurate and that all persons dealing with the Authority may rely on same.

KJ. Treasurer

The Treasurer shall have general custody of all funds and securities of the Authority and have general supervision of the collection and disbursement of Authority funds and shall endorse on behalf of the Authority for collection checks, notes and other obligations, and shall deposit the same to the credit of the Authority in such bank or banks or depositories as the Trustees may designate. The Treasurer may sign with the President and Chief Executive Officer, or such other person or persons as may be designated for such purpose by the Trustees, all bills of exchange or promissory notes of the Authority.

LK. Controller

The Controller shall be in charge of the accounting operations, the preparation of fiscal accounts and the coordination of all external audits of the Authority.

ML. Vice President - Internal Audits and Corporate Compliance

There shall be a separate Office of Internal Audits and Corporate Compliance which shall report to the Audit Committee and shall have such other powers and perform such other duties as customarily pertain to such officer and as may be assigned to it by the President and Chief Executive Officer. The Vice President of Internal Audits and Corporate Compliance shall meet at least three times per year with the Audit Committee.

NM. Inspector General

There shall be a separate Inspector General which shall report to the Audit Committee and shall have such other powers and perform such other duties as customarily pertain to such officer. The Inspector General shall meet at least three times per year with the Audit Committee.

ON. Succession – Absence or Vacancy of Office of President and Chief Executive Officer

In the event of the incapacity or absence of the President and Chief Executive Officer, the Chief Operating Officer shall perform the duties of President and Chief Executive Officer. If the office of Chief Operating Officer is vacant or the incumbent is absent, then the Executive Vice President – Corporate Services and Administration shall perform the duties of the President and Chief Executive Officer. If the offices of Chief Operating Officer and Executive Vice President – Corporate Services and Administration is vacant or the respective incumbents are absent, then the Executive Vice President – General Counsel shall perform the duties of the President and Chief Executive Officer. If the offices of Chief Operating Officer, Executive Vice President – Corporate Services and Administration and Executive Vice President and General Counsel are vacant or the respective incumbents are absent, then the Executive Vice President – Chief Financial Officer shall perform the duties of the President and Chief Executive Officer.

ARTICLE V - Committees

Section 1. Executive Management Committee

The President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President - Power Generation, the Executive Vice President - Corporate Services and Administration, the Executive Vice President – Chief Financial Officer, the Executive Vice President – Energy Marketing and Corporate Affairs and such other officers as the President and Chief Executive Officer may from time to time designate shall be members of an Executive Management Committee which shall periodically review and propose Authority corporate strategies, policies and programs and shall report on and make recommendations, with the Chairman's concurrence, to the Trustees. Any officer so designated shall serve at the pleasure of the President and Chief Executive Officer.

The President and Chief Executive Officer, or in his absence or disability his designee, shall preside at Executive Management Committee meetings, which shall meet quarterly or more often as the President and Chief Executive Officer may designate.

Section 2. Audit Committee

The Audit Committee shall consist of three eligible Trustees and have oversight of such activities of the Authority as set forth in the Audit Committee Charter adopted by the Trustees and may exercise such powers as the Trustees shall from time to time determine.

Section 3. Governance Committee

The Governance Committee shall consist of three eligible Trustees, and have oversight of such activities of the Authority as set forth in the Governance Committee Charter adopted by the Trustees and may exercise such powers as the Trustees shall from time to time determine.

Section 4. Other Committees

The Trustees or the Chairman may appoint other committees which shall have and may exercise such powers as shall be authorized by the Trustees or by actions of the Chairman or President and Chief Executive Officer.

ARTICLE VI - Corporate Seal

Section 1. Seal

The seal of the Authority shall be a design symbolizing its activities and shall be surrounded by the words "Power Authority of the State of New York" as shown by the following impression of such seal:



ARTICLE VII - Fiscal Management

Section 1. Fiscal Year

The Trustees shall have the power to fix, and may, from time to time change by resolution, the fiscal year of the Authority. Unless otherwise fixed by the Trustees, the calendar year shall be the fiscal year.

Section 2. Strategic Plan

The Trustees shall annually review a strategic plan developed by the Executive Management Committee which shall become the basis for the development of departmental plans, the annual budget and the capital expenditure plan.

Section 3. Annual Budgets

The Trustees shall annually adopt an operation and maintenance budget and a capital budget for the Authority's operating facilities and support departments.

Section 4. Capital Expenditure Plan

The Trustees shall review an annual capital expenditure plan which shall summarize all present and proposed capital projects.

Section 5. Expenditure Authorization Procedures

The Trustees shall adopt expenditure authorization procedures which shall govern the annual budget, capital expenditure plan, contract executions and all approval authorizations.

Section 6. Disbursement of Funds

The Trustees, except as otherwise provided in these By-laws, may authorize any officer or other employee to execute any requisition, voucher, draft or check for the disbursement or transfer of funds of the Authority.

ARTICLE VIII - Execution of Instruments

Section 1. Execution of Instruments

The Trustees, except as otherwise provided in these By-laws, may authorize any officer, employee or agent pursuant to the expenditure authorization procedures or otherwise, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such power to execute and deliver may be general or specific; unless so authorized, no officer, employee or agent shall have any power or authority to bind the Authority by any contract or engagement or pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

ARTICLE IX - Amendment

Section 1. Amendment

The Trustees shall have the power to amend, alter or repeal any provision or provisions of these By-laws at any regular or special meeting.

ARTICLE X - Miscellaneous

Section 1. Additional Appointments

The President and Chief Executive Officer shall appoint all regional managers and site executive officers. The Trustees may extend employment contracts to one or more officers of the Authority, in order to insure continuity of senior management.

Section 2. Annual Reports

The Trustees shall submit an annual report, as prescribed by the Public Authorities Law, within ninety days after the close of the fiscal year.

Section 3. Defense and Indemnification of Trustees and Employees

The provisions of the Defense and Indemnification Policy ("Policy") of the Authority as amended and adopted on April 26, 1994, and the provisions of the resolution as amended and adopted by the Authority on April 26, 1994, conferring the benefits of Section 18 of the New York Public Officers Law ("POL § 18") on the Authority's Trustees and Employees and agreeing to be held liable for the costs thereof, shall constitute a contract between the Authority and each of its Trustees and Employees, as such persons are defined in the Policy, and the Authority agrees that the benefits thereof shall be made available to each Trustee or Employee with respect to any act or omission which has occurred or may in the future occur during the period such Policy and the resolution conferring the benefits of POL § 18 are in effect, and no amendment to such Policy or such resolution which modifies the provisions thereof shall take effect with respect to any act or omission of a Trustee or Employee which occurred prior to the effective date of such amendment unless the effect of such amendment is to increase the defense and indemnification protection afforded to such Trustee or Employee prior to such effective date.

Section 4. Corporate Policies and Procedures

Unless otherwise provided by statute or these By-laws, every officer or employee of the Authority shall be subject to the Authority's corporate policies and procedures as embodied in its corporate policies program.

15. Amendments to the Authority's Governance Committee Charter and Audit Committee Charter

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested: (1) to amend both the Governance and Audit Committee Charters to require an agenda and minutes for each meeting in accordance with the Open Meetings Law, and to provide for a majority of the Committee members to constitute a quorum; (2) with respect to the Governance Committee Charter, to include review of Authority By-Laws and corporate policies, including those related to equal opportunity employment, (3) with respect to the Audit Committee Charter, to change the number of regularly scheduled meetings from at least three times per year to at least four times per year and (4) to reflect ancillary and incidental corrections.

BACKGROUND

“The Public Authorities Accountability Act of 2005 (‘Accountability Act’) added a new section to the Public Authorities Law (Section 2824) delineating the roles and responsibilities of board members of public authorities including, but not limited to, oversight of the authority’s senior management in the effective and ethical management of the authority and oversight and review of the authority’s fundamental financial, management and operational policies and procedures. The Accountability Act also required the Authority to have both a Governance Committee and an Audit Committee. To that end, on February 28, 2006, the Trustees established a Governance Committee by amending the Authority’s By-laws, adopted a Governance Committee Charter and amended the existing Audit Committee Charter.

“The Governance Committee is required to: (1) oversee Authority management and policies relating to ethical conduct; (2) update and revise the Authority’s Code of Conduct; (3) review and update the Authority’s policies on procurement of goods and services and the acquisition and disposal of real and personal property and (4) adopt a corporate policy on the protection of whistleblowers from retaliation.

“The Audit Committee is responsible for oversight of the Authority’s: (1) relationship with independent accountants, (2) internal audit process, (3) internal control systems and (4) complaints to and investigations by the Vice President – Corporate Security and Inspector General. On February 28, 2006, the Trustees amended the Authority’s By-laws and the Audit Committee Charter as necessary, to strengthen the role of the Authority’s Audit Committee by providing for the Office of Internal Audits and Corporate Compliance (‘Internal Audit’), Committee appointment and compensation of the head of Internal Audit and responsibility for making recommendations concerning the staffing of Internal Audits and its related functions. Oversight and reporting requirements were also established for the Office of the Inspector General.

DISCUSSION

“The Accountability Act required that the Authority’s Board of Trustees be increased from five to seven independent members and that members not simultaneously serve as either Chairman of the Board of Trustees or in a position of Authority management. Increasing membership of the Governance Committee to three members, similar to that of the Audit Committee, and providing for a majority of the Committee members to constitute a quorum for both the Governance Committee and the Audit Committee will significantly enhance Trustee participation in the governing affairs of the Authority. In the event that one committee member is unable to participate at a scheduled meeting, the presence of a majority of Committee members will be required for action to be taken. Requiring independent, non-conflicted members of the Committee and increasing the quorum to a majority will insure a deliberative process consistent with sound audit and governance principles.

“Additionally, the Accountability Act created the State Authority Budget Office (‘ABO’). The ABO has authority to review, audit and monitor compliance with operations and practices required of public authorities. Although the Authority independently performs such functions, recent ABO audits of other public authorities have

recommended that Committee charters specifically require that an agenda and minutes be prepared for each meeting, and that the Governance Committee review all corporate policies.

“With respect to the Governance Committee Charter, the Trustees are requested to amend: (i) Section A(1) to increase the membership of the Governance Committee from two Trustees to three independent Trustees who are not the Chairman or in any other position of Authority management; (ii) Section A(4) to require that an agenda be prepared and distributed prior to each meeting, to require that minutes of each meeting be prepared in accordance with the Open Meetings Law and to change the number of Committee members constituting a quorum from one to a majority of the Committee members and (iii) Section B to include review of Authority By-laws and corporate policies, including those related to equal opportunity, consistent with ABO recommendations. The proposed amended Governance Committee Charter is attached as Exhibit ‘15-A1.’ A redlined version with strikethroughs denoting deletions and underlining reflecting new language is attached as Exhibit ‘15-A2.’

“With respect to the Audit Committee Charter, the Trustees are requested to amend: (i) Section A(1) to provide that Committee members must be independent and shall not simultaneously serve as Chairman or in any other position of Authority management; (ii) Section A(4) to require that an agenda be prepared and distributed prior to each meeting, to require that minutes of each meeting be prepared in accordance with the Open Meetings Law and to change the number of Committee members constituting a quorum from one to a majority of the Committee members and (iii) Sections A(4) and B(3) and (4) to increase the number of regularly scheduled Committee meetings from at least three to at least four per year. In addition, changes have been that are ancillary to those above and/or appropriate for clarity. The proposed amended Audit Committee Charter is attached as Exhibit ‘15-B1.’ A redlined version with strikethroughs denoting deletions and underlining reflecting new language is attached as Exhibit ‘15-B2.’

FISCAL IMPLICATIONS

“None.

RECOMMENDATION

“The Executive Vice President, General Counsel and Chief of Staff and I recommend that the Trustees approve the proposed amendments to the Governance Committee Charter and the Audit Committee Charter.”

Mr. Thomas Kelly presented the highlights of staff’s recommendations to the Trustees. Chairman McCullough said that the proposed amendments reflect recommendations made as a result of audits of other authorities’ Audit Committee and Governance Committee charters. He said that the fourth meeting of the Audit Committee is essential in order to provide the Committee with the opportunity to meet directly with the Authority’s independent auditors. Mr. Kelly added that the Authority has historically been ahead of where the State is going in matters of authority governance and that the Authority will continue to stay in front of the law and any directives from the Authority Budget Office.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That Section A(1) of the Governance Committee Charter be amended to increase the membership of the Governance Committee from two Trustees to three independent Trustees who do not serve as Chairman or in any other position of Authority management; and be it further

RESOLVED, That Section A(4) of the Governance Committee Charter and the Audit Committee Charter be amended to require that an agenda be prepared and distributed prior to each meeting, minutes of each meeting be prepared in accordance with the Open Meetings Law and the number of Governance Committee and Audit Committee members required for a quorum be increased from one to a majority of the Committee members; and be it further

RESOLVED, That Section A(1) of the Audit Committee Charter be amended to provide for independent members, none of whom can serve as Chairman or in any other position or Authority management, and be it further

RESOLVED, That Sections A(4) and B(3) and (4) of the Audit Committee Charter be amended to increase the number of regularly scheduled Committee meetings from at least three to at least four per year; and be it further

RESOLVED, That the attached Governance Committee Charter and Audit Committee Charter be adopted substantively in the form proposed in Exhibits "15-A" and "15-B."

GOVERNANCE COMMITTEE CHARTER

A. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be composed of three, independent Trustees none of whom serve as Chairman or in any other position of Authority management. Committee members and the Committee Chair shall be nominated by the Chairman and selected from eligible Trustees by vote of the Trustees.

(2) Term

Committee members shall serve for periods of four years, subject to their terms of office under section 1003 of the Public Authorities Law. Committee members may be re-elected to serve for additional periods of four years subject to their terms of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation, or otherwise, a successor shall be selected to serve in the manner and for the term described above.

(3) Removal

Committee members may be removed if they are removed as Trustees for cause, subject to Section 2827 of the Public Authorities Law, or are no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least three times per year. An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority's President and Chief Executive Officer, the General Counsel, the Vice President of Ethics and Regulatory Compliance or the Vice President Procurement and Real Estate.

A majority of those present, but no less than two Committee members, at a regular or special meeting of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

Meetings of the Committee may be conducted by video conferencing.

To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

B. FUNCTIONS AND POWERS

The Committee shall be charged with the oversight of the governance and ethics of the Authority and its employees. In this regard, the Committee shall establish policies to promote honest and ethical conduct by Authority Trustees, officers and employees so as to enhance public confidence in the Authority. In addition, the Committee shall review and update the Authority's Code of Conduct, By-laws and written corporate policies regarding: conflicts of interest, equal opportunity employment, the procurement of goods and services, the acquisition and disposition of real and personal property, or interests therein, the disclosure of the names of persons who attempt to influence the Authority's procurement process, and the protection of whistleblowers.

C. STAFF REPORTS

The Vice President Ethics and Regulatory Compliance and the Vice President Procurement and Real Estate shall report to the Committee at all regularly scheduled meetings. The Committee shall have oversight of the activities of the Ethics Office and over all procurement and real estate activities of the Authority.

The Committee shall have the power to require Ethics, Procurement and Real Estate staff to prepare reports and to produce documents and personnel for review. It shall also have the power to meet with any staff on compliance issues and to direct the Corporate Secretary to prepare such revisions to the Code of Conduct as the Committee may deem necessary, for approval by the Trustees.

GOVERNANCE COMMITTEE CHARTER

A. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be composed of ~~three, independent~~~~two~~ Trustees ~~none~~~~either~~ of whom serves as Chairman or in any other position of Authority management. Committee members ~~and the Committee Chair~~ shall be nominated by the Chairman and selected from eligible Trustees by vote of the Trustees.

(2) Term

Committee members shall serve for periods of four years, subject to their terms of office under section 1003 of the Public Authorities Law. Committee members may be re-elected to serve for additional periods of four years subject to their terms of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation, or otherwise, a successor shall be selected to serve in ~~the~~ manner and for the ~~term~~~~period~~ described above.

(3) Removal

Committee members may be removed ~~only~~ if they are removed as Trustees for cause, subject to Section 2827 of the Public Authorities Law, or are no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least three times per year. An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. One A Committee member may call a special meeting of the Committee individually, or upon the if requested ~~by of~~ the Authority's President and Chief Executive Officer, the General Counsel, the Vice President of Ethics and Regulatory Compliance or the Vice President Procurement and Real Estate.

A majority of those~~One Committee member~~ present, but no less than two Committee members, at a regular or special meeting of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

~~All~~ Meetings of the Committee may be conducted by video conferencing.

To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

B. FUNCTIONS AND POWERS

The Committee shall be charged with the oversight of the governance and ethics of the Authority and its employees. In this regard, the Committee shall establish policies to promote honest and ethical conduct by Authority Trustees, officers and employees so as to enhance public confidence in the Authority. In addition, the Committee shall review and update the Authority's Code of Conduct, By-laws and written corporate policies regarding: conflicts of interest, equal opportunity employment, the procurement of goods and services, the acquisition and disposition of real and personal property, or interests therein, the disclosure of the names of persons who attempt to influence the Authority's procurement process, and the protection of whistleblowers.

C. STAFF REPORTS

The Vice President Ethics and Regulatory Compliance and the Vice President ~~of~~ Procurement and Real Estate shall report to the Committee at all regularly scheduled meetings. The Committee shall have oversight of the activities of the Ethics Office and over all procurement and real estate activities ~~of~~ the Authority.

The Committee shall have the power to require Ethics, Procurement and Real Estate staff to prepare reports and to produce documents and personnel for review. It shall also have the power to meet with any staff on compliance issues and to direct the Corporate Secretary to prepare such revisions to the Code of Conduct as the Committee may deem necessary, for approval by the Trustees.

AUDIT COMMITTEE CHARTER

A. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of three (3) independent members of the Board of Trustees ("Board") none of whom shall serve as Chairman of the Board of Trustees ("Chairman") or in any other position of Authority management. Committee members and the Committee Chair shall be nominated by the Chairman and selected from eligible Trustees by vote of the Trustees.

(2) Term

Committee members shall serve for a period of four years subject to their term of office under Section 1003 of the Public Authorities Law. Committee members may be reelected to serve for additional periods of four years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor shall be selected to serve in the manner and for the term described above.

(3) Removal

Committee members may be removed if they are removed as Trustees for cause, subject to Section 2827 of the Public Authorities Law, or are no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least four times per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority's President and Chief Executive Officer, General Counsel, the Inspector General, the Chief Financial Officer, the Controller or head of the Office of Internal Audit and Corporate Compliance ("Internal Audit"). An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law.

A majority of those present, but no less than two Committee members, at a regular or special meeting of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

Any meeting of the Committee may be conducted by video conferencing.

To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

B. FUNCTIONS AND POWERS

(1) General Powers

The Committee may call upon the resources of the Authority to assist the

Committee in the discharge of its oversight functions. Such assistance may include the assignment of Authority employees to assist the Committee, and the retention of external advisors subject to Section 2879 of the Public Authorities Law and the Authority's Expenditure Authorization Procedures.

The Committee may direct any Authority employee to make oral or written reports to the Committee on issues and items within the Committee's purview. The Committee may direct the Authority's internal auditors to conduct special audits of items and issues of concern to the Committee.

(2) Relationship to the Independent Accountants and Controller

The Committee shall seek to enhance the integrity, quality, reliability, thoroughness and fairness of the Authority's financial statements and accompanying notes, and shall oversee the relationship with the Authority's independent accountants. To accomplish this objective, the Committee shall meet to review and discuss the financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller and other members of management as necessary. The Committee shall advise the Trustees in the selection and discharge of the independent accountants and shall meet at least twice a year, at regularly scheduled meetings or otherwise, with such independent accountants to discuss the independent accountants' work plans, objectives, opinion, and recommendations.

The Committee shall annually review the scope, objectives and results of the independent accountants' examination of the annual financial statement and accompanying notes, and shall report its findings to the Trustees. The Committee may at any time report on and make recommendations to the Trustees on any matter in connection with the independent accountant's audit process.

(3) Relationship to the Office of Internal Audit

The Committee shall appoint the head of Internal Audit, establish his compensation and benefits and make recommendations concerning the staffing of Internal Audit and related functions.

The Committee shall have oversight of Internal Audit, its resources and activities so that Internal Audit is directed toward those activities and processes where the potential benefit to improving internal controls is the greatest. The Committee shall promote coordination between the internal auditors and independent accountants so that all material areas of activities are adequately covered.

The Committee shall meet at least three times a year with the Authority's head of Internal Audit, and may direct the aforementioned individual to attend any meeting of the Committee, and to prepare and deliver such reports as requested.

The Committee shall report at least annually to the Trustees as to its findings concerning the internal audit function, and may make recommendations at any time as it deems appropriate.

(4) Relationship to the Office of the Inspector General

The Committee shall have oversight of issues relating to compliance with the Authority's policies and procedures arising from complaints to or investigations by the Office of Inspector General. The Inspector General shall report to the Committee at least three times a year as to complaints received by the Authority relating to security, corruption, fraud, criminal activity, waste or abuse and as to any reports received from the Office of the State Inspector General. The Committee shall establish procedures for the receipt, retention, investigation and referral of such complaints and to ensure that all

Authority employees report promptly to the Office of the Inspector General any information concerning allegations of security breach, corruption, fraud, criminal activity, waste or abuse.

The Committee may direct the Inspector General to prepare and deliver reports to the Committee and to meet with the Committee regarding compliance issues.

FINAL VERSION

Exhibit ~~['7-A']~~ “6-CB-2”
February ~~October~~ 3028,
20067 Exhibit B
~~“The Charter was adopted”~~
December 17, 1996

AUDIT COMMITTEE CHARTER

A. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of three (3) independent members of the Board of Trustees (“Board”) none of whom shall serve as Chairman of the Board of Trustees (“Chairman”) or in any other position of Authority management. Committee members and the Committee Chair shall be nominated by the Chairman and selected from eligible Trustees by vote of the Trustees.

[Method of Selection]

(2) Term

Committee members shall serve for a period of four years subject to their term of office under Section 1003 of the Public Authorities Law. Committee members may be reelected to serve for additional periods of four years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor shall be selected to serve in the manner and for the period term described above.

(3) **Removal**

Committee members may be removed ~~only~~ if they are removed as Trustees for cause, subject to Section 2827 of the Public Authorities Law, or are no longer eligible to serve as a Committee member.

(4) **Meetings and Quorum**

The Committee shall ~~meet at~~hold regularly scheduled meetings at least ~~three-four~~ times per year. ~~One A~~ Committee member may call a special meeting of the Committee individually, or upon their requested to do so by request of the Authority's President and Chief Executive Officer, General Counsel, the Inspector General/~~Director of Security~~, the Chief Financial Officer, the Controller or head of the Office of Internal Audit and Corporate Compliance ("Internal Audit"). An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law.

~~One A~~ majority of those present, but no less than two Committee members, at a regular or special meeting of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

Any meeting of the Committee may be conducted by video conferencing.

To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

B. FUNCTIONS AND POWERS

(1) **General Powers**

The Committee may call upon the resources of the Authority to assist the Committee in the discharge of its oversight functions. Such assistance may include the assignment of Authority employees to assist the Committee, and the retention of external advisors subject to Section 2879 of the Public Authorities Law and the Authority's Expenditure Authorization Procedures.

The Committee may direct any Authority employee to make oral or written reports to the Committee on issues and items within the Committee's purview. The Committee may direct the Authority's internal auditors to conduct special audits of items and issues of concern to the Committee.

(2) **Relationship to the Independent Accountants and Controller**

The Committee shall seek to enhance ~~of~~ the integrity, quality, reliability, thoroughness and fairness of the Authority's financial statements and accompanying notes, and shall oversee the relationship with the Authority's independent accountants. To ~~effect~~ accomplish this objective, the Committee shall meet to review and discuss the financial statements including any material changes in accounting principles and practices with the independent accountants, the ~~Vice President~~ Controller and other members of management as necessary. The Committee shall advise the Trustees in the selection and discharge of the independent accountants and shall meet at least twice a year, at regularly scheduled meetings or otherwise, with such independent accountants to discuss the independent accountants' work plans, objectives, opinion, and recommendations. ~~Individual Committee members may have additional meetings with the independent accountants.~~

The Committee shall annually review the scope, objectives and results of the independent accountants' examination of the annual financial statement and

accompanying notes, and shall report its findings to the Trustees. The Committee may at any time report on and make recommendations to the Trustees on any matter in connection with the independent accountant's audit process.

(3) **Relationship to the Office of Internal Audit and Controller**

The Committee shall appoint the ~~head Director~~ of Internal ~~Audit~~ ~~Audit~~ and ~~Corporate Compliance~~, establish his compensation and benefits and make recommendations concerning the staffing of Internal Audit ~~and related functions~~ and ~~related functions~~.

The Committee shall have oversight of ~~the Office of~~ Internal Audit, its resources and activities so that Internal Audit is directed toward those activities and processes where the potential benefit to improving internal controls is the greatest. The Committee shall promote coordination between the internal auditors and independent accountants so that all material areas of activities are adequately covered.

The Committee shall meet at least three times a year with the Authority's ~~head~~ Director of Internal ~~Audit~~ ~~Audit~~ and ~~Corporate Compliance~~ and ~~the Controller~~, and may direct the aforementioned individuals to attend any meeting of the Committee, and to prepare and deliver such reports as requested.

The Committee shall report at least annually to the Trustees as to its findings concerning the internal audit function, and may make recommendations at any time as it deems appropriate.

C.(4) STAFF REPORTS Relationship to the Office of the Inspector General

The Committee shall have oversight of issues relating to compliance with the

Authority's policies and procedures arising ~~through from~~ complaints to or investigations ~~by of~~ the Office of Inspector General. The Inspector General/~~Director of Security~~ shall report to the Committee at least three times a year as to complaints received by the Authority relating to security, corruption, fraud, criminal activity, waste or abuse and as to any reports received from the Office of the State Inspector General. The Committee shall establish procedures for the receipt, retention, investigation and referral of such complaints and to ensure that all Authority employees report promptly to the Office of the Inspector General~~OIG~~ any information concerning allegations of security breach, corruption, fraud, criminal activity, waste or abuse.

The Committee may direct the Inspector General/~~Director of Security~~ to prepare and deliver reports to the Committee and to meet with the Committee regarding compliance issues.

16. Appointment to the Governance Committee

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to appoint James A. Beshu to the Governance Committee.

BACKGROUND

“On February 28, 2006, the Trustees, in accordance with the provisions of the Public Authorities Accountability Act, established a Governance Committee by amending the Authority’s By-laws, creating a new Section 3, Article V. In addition, on February 28, 2006, the Trustees adopted the Charter of the Governance Committee.

“On October 30, 2007, the Trustees (i) amended Section 3, Article V of the Authority’s By-laws to increase the membership of the Governance Committee from two Trustees to three Trustees other than the Chairman and (ii) amended the Charter of the Governance Committee to increase the membership of the Governance Committee from two to three Trustees who do not serve as Chairman or in any other position of Authority management.

“Governance Committee members, who are selected from eligible Trustees by vote of the Trustees, serve for periods of four years and may serve for additional periods, subject to their terms of office as Trustees.

DISCUSSION

“In accordance with Article V, Section 3 of the Authority’s By-laws and the Charter of the Governance Committee, the Trustees are requested to select James A. Beshu as a member of the Governance Committee, effective October 30, 2007 to serve for a term ending October 30, 2011.”

RECOMMENDATION

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That James A. Beshu is hereby selected as a member of the Governance Committee, effective October 30, 2007, to serve for a term ending October 30, 2011.

17. **Election of Executive Vice President -Energy Marketing and Corporate Affairs**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to elect Gil C. Quiniones to the new position of Executive Vice President – Energy Marketing and Corporate Affairs of the Authority, effective as of October 29, 2007.

BACKGROUND AND DISCUSSION

“Mr. Quiniones has served as Senior Vice President of Energy and Telecommunications at the New York City Economic Development Corporation (‘NYCEDC’). At NYCEDC, Mr. Quiniones helped spearhead discount energy programs for manufacturers and small businesses; arrangements for expanding the city’s use of renewable energy such as wind power and efforts to bring about construction of ‘green’ buildings whose sustainable features reduce energy costs, lower carbon emissions and contribute to improved worker health and productivity. As chairman of Mayor Michael R. Bloomberg’s Task Force on Energy, Mr. Quiniones had a pivotal role in assessing the city’s future energy needs and in recommending specific policies and programs for affordable, clean and dependable electricity supplies and maximizing energy efficiency.

“Also while at NYCEDC, Mr. Quiniones greatly contributed to the Power Authority’s successful partnership with New York City in meeting the electricity needs of schools, hospitals, street lights, subways, commuter trains, bridges, tunnels, airports and other public facilities.

“Prior to joining NYCEDC, Mr. Quiniones co-founded Con Edison Solutions, Inc. (‘CES’), an energy services company based in White Plains and a wholly owned subsidiary of Con Edison. Prior to that, he spent seven years in various positions of increasing responsibility at Con Edison.

RECOMMENDATION

“Based on his substantial knowledge of energy and telecommunications, his innovative and results-oriented management skills and his strong expertise and record of developing regulatory, legislative and policy strategies it is recommended that, pursuant to Section 2 of Article IV of the By-Laws, Gil C. Quiniones be elected to fill the non-statutory new position of Executive Vice President – Energy Marketing and Corporate Affairs, for a term expiring at the next annual meeting of the Trustees in March 2008, or until his successor is elected.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That Gil C. Quiniones of New York, New York, be, and hereby is, elected, pursuant to Section 2 of Article IV of the By-Laws, as Executive Vice President – Energy Marketing and Corporate Affairs of the Power Authority, effective as of October 29, 2007, for a term of office expiring at the next annual meeting of the Trustees or until his successor is elected.

18. **Proposed Schedule of Trustees' Meetings in 2008**

The President and Chief Executive Officer submitted the following report:

“The following schedule of meetings for the year 2008 is recommended:

Date	Location	Time
January 29, 2008	WPO	11:00 a.m.
February 26, 2008	WPO	11:00 a.m.
March 25, 2008 - Annual	WPO	11:00 a.m.
April 29, 2008	POLETTI	11:00 a.m.
May 20, 2008	B-G	11:00 a.m.
June 24, 2008	NIAGARA	11:00 a.m.
July 29, 2008	WPO	11:00 a.m.
<u>No Meeting in August</u>		
September 23, 2008	WPO	11:00 a.m.
October 28, 2008	WPO	11:00 a.m.
November 25, 2008	WPO	11:00 a.m.
December 16, 2008	WPO	11:00 a.m.

RECOMMENDATION

“The President and Chief Executive Officer and I support the proposed schedule for the Authority’s Trustees’ Meetings for the year 2008, as set forth in the foregoing memorandum.”

Ms. Anne Cahill presented the highlights of staff’s recommendations to the Trustees. In response to a question from Chairman McCullough, Ms. Cahill said that the Annual Meeting had been scheduled for March instead of April due to the fact that several yearly reports are due 90 days following the end of the Authority’s fiscal year. Chairman McCullough pointed out to the other Trustees that the schedule is not carved in stone and that there was also the possibility that a special meeting or meetings might need to be scheduled.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the schedule of Trustees’ Meetings for the year 2008, as set forth in the attached foregoing report of the Corporate Secretary, be, and hereby is, approved.

19. **Resolution – Leonard N. Spano**

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, Leonard N. Spano served with extraordinary distinction as a member of the New York Power Authority’s Board of Trustees during a period of significant challenge and accomplishment for the Authority; and

WHEREAS, Mr. Spano brought to his duties as a Trustee a singular blend of experience, insight and pragmatism acquired during a career of 34 years in public service that made him a Westchester County institution and in his private-sector role as head of a prominent home heating and fuel business; and

WHEREAS, Mr. Spano’s tenure, beginning in June 2006, was marked by a series of noteworthy developments ranging from the Power Authority’s receipt of a new 50-year federal license for the Niagara Power Project and its completion of a major upgrade at that facility to continuing efforts to extend the Authority’s leadership in promoting energy efficiency, new technologies and clean transportation; and

WHEREAS, Mr. Spano also participated in a number of Trustee actions that served to create or retain hundreds of thousands of jobs across New York State in a time of transition for the state’s economic development power programs; and

WHEREAS, his Power Authority appointment represented but the latest chapter in a longstanding commitment to service that began with Mr. Spano’s three years in the United States Marine Corps and was evidenced throughout his 22 years as a member of the Westchester County Board of Legislators and 12 as County Clerk; and

WHEREAS, this Board valued not only the talent and the dedication but also the empathy and the consistent good humor that were hallmarks of Mr. Spano’s long and successful career as an elected official—and that continue to serve him well as the head of a family of 16 children, 39 grandchildren and two great-grandchildren; and

WHEREAS, with his term having concluded, Mr. Spano has stepped down from the Board;

NOW THEREFORE BE IT RESOLVED, That the Trustees of the Power Authority of the State of New York express their profound thanks and appreciation to Leonard N. Spano for his service to the Power Authority and throughout his many years in public life, and that they wish him; his wife, Josephine; and their remarkable and close-knit family a future of health, happiness and fulfillment.

October 30, 2007

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

“Mr. Chairman, I move that the Authority conduct an Executive Session pursuant to Section 105(1)(d) of the Public Officers Law to discuss issues associated with pending litigation with: (i) General Electric et al. and (ii) Entergy Nuclear Fitzpatrick, LLC and Entergy Nuclear Indian Point 3, LLC.” Upon motion duly made and seconded, an Executive Session was held.

Chairman McCullough announced to any members of the public who might be viewing a webcast of the meeting that the Trustees would now be going into Executive Session for the purpose of discussing matters in litigation. He said that the Trustees would return after the Executive Session to take action on one of the items discussed in Executive Session.

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

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

22. 500 MW Combined Cycle Project – Settlement of Claims

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve the terms of a settlement of claims between the Authority and General Electric Company (“GE”) which is intended to resolve all disputes that arose between the Authority and GE in connection with the construction of the Authority’s 500 MW Combined Cycle Project (“500 MW Project”), pursuant to its GE engineering and procurement contract effective October 29, 1999.

BACKGROUND

“The 500 MW Project began commercial operations in December 2005, 21 months after the scheduled completion date. By that time, it was apparent that there were several outstanding technical issues that had to be resolved with GE in order for the power plant to perform as anticipated. In October 2006, the Authority filed a complaint against GE and five of its subcontractors in connection with the design and construction of the project. In addition to correcting the outstanding technical matters, the Authority sought to recover certain damages due to delays and cost overruns. GE has asserted that it will seek recovery of certain damages it incurred due to delays in construction caused by the Authority.

“The Authority and GE agreed to suspend pursuit of the lawsuit in order to attempt to resolve the dispute through mediation. The parties agreed to a three-day mediation session that was set to begin on November 7, 2007.

“Prior to that scheduled mediation, executives from GE and the Authority met and resolved this dispute.

DISCUSSION

“The Authority and GE have agreed in principle to resolve their outstanding claims relating to the 500 MW Project pursuant to a confidential settlement agreement. The key provisions of that settlement are set out in a confidential term sheet presented to the Trustees in Executive Session. Should the Trustees approve the settlement, the parties have agreed to discontinue the pending lawsuit and release each other from any claims arising out of the 500 MW Project, except those arising under the settlement or any remaining obligations under the contract.

“The proposed resolution of this dispute is in the best interests of the Authority. It renders the mediation unnecessary and avoids what would have been a costly and prolonged litigation. A trial of this matter would have involved complex engineering issues concerning power plant design and construction where the likely resolution of such issues, both as to liability and damages, was not readily foreseeable. In addition, resolving the dispute without the necessity of contentious litigation allows the parties to continue what has historically been a constructive business relationship.

FISCAL INFORMATION

“Payment will be made from the Authority’s Capital Fund.

RECOMMENDATION

“The Senior Vice President and Chief Engineer – Power Generation, the Executive Vice President and Chief Financial Officer and the Executive Vice President, General Counsel and Chief of Staff recommend that the Trustees approve the settlement between the Authority and General Electric Company and authorize the Executive Vice President, General Counsel and Chief of Staff to execute any and all documents necessary to effectuate that settlement consistent with the terms in the confidential term sheet presented to the Trustees. I concur in the recommendation.”

Mr. Thomas Kelly presented the highlights of staff's recommendations to the Trustees. Chairman McCullough complimented Mr. Kelly, his staff and everyone else who was involved in negotiating this settlement.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees approve the settlement of a dispute between the Authority and General Electric Company arising out of the Authority's construction of its 500 MW Project; and be it further

RESOLVED, That the Executive Vice President, General Counsel and Chief of Staff, or his designee, is hereby authorized to execute any and all documents needed to effectuate such settlement and dismiss the Authority's lawsuit, and to do such other and further things as are necessary to effectuate the foregoing; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President, General Counsel and Chief of Staff.

23. **Next Meeting**

The next Regular Meeting of the Trustees will be held on **Tuesday, November 27, 2007, at 11:00 a.m., at the Clarence D. Rappleyea Building, White Plains, New York**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

On motion duly made and seconded, the meeting was adjourned by the Chairman at approximately 12:45pm.



Anne B. Cahill
Corporate Secretary