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NYPA PROPOSED EXPANSION AND REPLACEMENT  
POWER CONTRACTS WITH  
ITT ENIDINE, INC. and MOOG, INC.,  
PUBLIC HEARING  
HELD  
MARCH 15, 2011.

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Minutes transcribed from NYPA PUBLIC  
HEARING, held pursuant to Public Notice,  
taken at 5777 Lewiston Road, Lewiston, New  
York 14092, on MARCH 15, 2011 scheduled to  
begin at 3:00 p.m. before LORI COVENTRY,  
Notary Public.

1 APPEARANCES:

2 NEW YORK POWER AUTHORITY  
3 KAREN DELINCE, CORPORATE SECRETARY  
4 123 Main Street, 15-M  
5 White Plains, New York 10601  
6 Appearing on Behalf of the New York Power  
7 Authority.

8  
9 ALSO PRESENT: JAMES PASQUALE, Senior Vice  
10 President for Marketing and  
11 Economic Development  
12 LORI COVENTRY, Court Stenographer  
13

14 MS. DELINCE: Okay. Good afternoon. My name is  
15 Karen Delince. And I'm the Corporate  
16 Secretary of the New York Power Authority.  
17 This public hearing is being conducted by the  
18 Power Authority to provide an overview and  
19 receive public comment on the proposed  
20 Expansion and Replacement Power Contracts  
21 with ITT Enidine, Inc. and Moog, Inc.  
22 Pursuant to Section 1009 subsection one of  
23 the Public Authorities Law, notice of this  
hearing was published in the following six  
newspapers, once a week for the four weeks  
leading up to the hearing: Buffalo News,  
Niagara Gazette, Buffalo First, Albany Times  
Union, The Post Standard, The Journal News.

1 During the thirty-day period prior to today's  
2 hearing, copies of the proposed contracts  
3 have been available for inspection at the  
4 Authority's office in White Plains, as well  
5 as on the Authority's website. Also,  
6 pursuant to Section 1009, Subsection 1 of the  
7 Public Authorities Law, notice of this  
8 hearing and copies of the proposed contracts  
9 were sent to: Governor Andrew Cuomo;  
10 President Pro Tem of the New York State  
11 Senate Malcolm Smith; Speaker of the Assembly  
12 Sheldon Silver; Chairman of the Senate  
13 Finance Committee Carl Kruger; Chairman of  
14 the Assembly Ways and Means Committee Herman  
15 Farrell; Senate Minority Leader Dean Skelos  
16 and Assembly Minority Leader Brian Kolb.  
17 If you plan to make an oral statement at this  
18 hearing and you have not yet filled out the  
19 form at the sign-in desk, please do so now.  
20 We ask that you give copies of the written  
21 statement to the reporter and Lorna Johnson  
22 before or after you deliver your remarks.  
23 Although your written statement can be

1           whatever length you like, we would ask those  
2           presenting an oral statement to limit their  
3           remarks to five minutes.  If your oral  
4           statement summarizes a written statement,  
5           both will appear in the record of the  
6           hearing.

7           The record of this hearing will remain open  
8           through close of business Wednesday, March  
9           16th, for the submission of any additional  
10          comments or statements.  These should be  
11          addressed to the Authority's Corporate  
12          Secretary at 123 Main Street, 15-M, White  
13          Plains, New York 10601; or may be faxed to  
14          (914) 390-8040; or emailed to  
15          secretarys.office@nypa.gov.  Please see Lorna  
16          Johnson on your way out if you have any  
17          additional questions.

18          Full stenographic minutes of the hearing will  
19          be made and will be incorporated, along with  
20          the written submissions, into the record that  
21          will be reviewed by the Authority's Trustees.  
22          The transcript will be available for review  
23          at the Authority's office in White Plains and

1 on the Authority's website, [www.nypa.gov](http://www.nypa.gov).  
2 At this point, I will turn the microphone  
3 over to James Pasquale, NYPA's Senior Vice  
4 President of Marketing and Economic  
5 Development, who will provide additional  
6 details on the proposed contract extensions.  
7 I will then call on speakers, starting with  
8 any elected officials present.  
9 Thank you.

10 MR. PASQUALE: Thank you, Ms. Delince. Good  
11 afternoon. My name is James F. Pasquale and  
12 I am the Senior Vice President for Marketing  
13 and Economic Development at the New York  
14 Power Authority. I am here today to present  
15 an overview of a proposed contract with two  
16 customers, ITT Enidine, Inc. and Moog, Inc.,  
17 for the sale of two hundred kilowatts of  
18 Expansion Power and twelve hundred kilowatts  
19 of Replacement Power, respectively, from the  
20 New York Power Project.  
21 Under Section 1005, Subsection 13, of the  
22 Power Authority Act, as amended by Chapter  
23 313 of the Laws of 2005, the Authority may

1 contract to allocate two hundred fifty  
2 megawatts of firm hydroelectric power known  
3 as Expansion Power, or EP, and up to four  
4 hundred forty-five megawatts of firm  
5 hydroelectric power of Replacement Power, or  
6 RP, to businesses within thirty miles of the  
7 Niagara Power Project. Each application for  
8 an allocation of Expansion Power or  
9 Replacement Power must be evaluated under  
10 criteria that includes, but need not be  
11 limited to, those set forth in the Public  
12 Authorities Law Section 1005, Subsection 13,  
13 Paragraph A, which details general  
14 eligibility requirements. Among the factors  
15 to be considered when evaluating a request  
16 for an allocation of hydropower are the  
17 number of jobs created as a result of the  
18 allocation; the business' long-term  
19 commitment to the region as evidenced by the  
20 current and/or planned capital investment in  
21 the business' facilities in the region; the  
22 ratio of the number of jobs to be created to  
23 the amount of power requested; the types of

1 jobs created, as measured by wage and benefit  
2 levels, and the type and cost of buildings,  
3 equipment and facilities to be constructed,  
4 enlarged or installed.

5 At their meeting of May 22nd, 2007, the Power  
6 Authority Trustees approved an allocation of  
7 two hundred kilowatts of Expansion Power to  
8 ITT Enidine for a term of five years.

9 Approval of the allocation was based on an  
10 evaluation of the customer's allocation for  
11 hydropower, in which it proposed to invest  
12 \$2.5 million to expand its facility, to  
13 purchase and install new equipment, and to  
14 commit to creating twenty new jobs in  
15 addition to their existing two hundred jobs.  
16 The allocation amount will be subject to an  
17 enforceable employment commitment for two  
18 hundred twenty jobs, and includes an annual  
19 job reporting requirement and a job  
20 compliance threshold of ninety percent.

21 Should ITT Enidine's actual jobs reported  
22 fall below the compliance threshold of ninety  
23 percent, or one hundred ninety-eight jobs,

1 the Authority has the right to reduce the  
2 allocation on a pro rata basis.

3 Regarding Moog, the Power Authority Trustees,  
4 on July 31st, 2007, approved an allocation of  
5 twelve hundred kilowatts of Replacement  
6 Power. Approval of the Allocation was based  
7 on an evaluation of the customers proposed  
8 investment of \$16.8 million, adding seventy  
9 thousand square feet of manufacturing and  
10 office space, along with installing new  
11 production machinery and equipment. Moog has  
12 committed to create one hundred forty new  
13 jobs, in addition to the existing 2,036 jobs.  
14 The allocation amount will be subject to an  
15 enforceable employment commitment of 2,446  
16 jobs, and includes an annual job reporting  
17 requirement and a job compliance threshold of  
18 ninety percent. Should Moog's actual jobs  
19 reported fall below the compliance threshold  
20 of ninety percent, or 2,201 jobs, the  
21 Authority has the right to reduce the  
22 allocation on a pro rata basis.

23 On February 1st, 2011 the Authority and Moog

1 signed an interim agreement for the sale of  
2 Replacement Power and Energy. The purpose of  
3 the agreement was to enable Moog to accept  
4 delivery of its allocation after completion  
5 of its project last year and prior to  
6 execution of the long term contract that is  
7 the subject of this hearing. The agreement  
8 includes an appendix cosigned by the  
9 Authority, Moog, and the delivering utility,  
10 New York State Electric and Gas, to  
11 effectuate a March 1st, 2011 delivery.  
12 The Authority will provide firm electric  
13 service from the Niagara plant, consisting of  
14 firm power capacity and energy service. The  
15 service is subject to pro rata curtailment  
16 when there is insufficient generation at the  
17 Niagara and St. Lawrence/FDR facilities to  
18 meet all of its firm load requirements. The  
19 power and energy will be sold on a direct  
20 sale basis. Delivery will be provided by the  
21 local utility, New York State Electric and  
22 Gas, and billed directly to the customers.  
23 The rates, terms and conditions for the sales

1 are contained in the relevant service  
2 tariffs, EP-1 for Expansion Power and NP-F1  
3 for Replacement Power. Effective July 1st,  
4 2013, Service Tariff Western New York-1 will  
5 become effective for all Replacement Power  
6 and Expansion Power allocations. The  
7 contracts also require that an energy  
8 efficiency audit be performed not less than  
9 once every five years during the term of  
10 electric service.  
11 The contract is subject to a public hearing  
12 and approved by the Governor, as set forth in  
13 Section 1009 of the Public Authorities Law.  
14 As Ms. Delince stated earlier, the Authority  
15 will accept your comments on the proposed  
16 contracts until the close of business on  
17 March 16th, 2011. I will now turn the forum  
18 back to Ms. Delince.

19 MS. DELINCE: Thank you, Mr. Pasquale. We will  
20 wait for testimony.

21

22 (Whereupon, a recess was taken to wait  
23 for testimony.)

1 MS. DELINCE: Having no one present wishing to  
2 make a testimony, I now declare this hearing  
3 closed.

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