



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Accountants' Report on Compliance with the Requirements of Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York*

The Board of Trustees
Power Authority of the State of New York:

We have examined the Power Authority of the State of New York's (the Authority) compliance with Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* during the year ended December 31, 2017. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2017.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of laws, regulations, contracts or grant proceeds, and instances of fraud and abuse that are material to the Authority's compliance with the requirements of Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Authority complied with the aforementioned requirements and not for purpose of expressing an opinion on the internal control over compliance with those requirements or the other matters referred to above; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Authority's Management, the Board of Trustees, the New York State Office of the State Comptroller, the New York State Division of the Budget, and the New York State Authority Budget Office and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

New York, New York
March 20, 2018