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

December 12, 2017

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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, 123 Main Street, White Plains, New York at approximately 9:50 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Dr. Anne M. Kress, Trustee
Michael A.L. Balboni, Trustee
Dennis G. Trainor, Trustee
Tracy McKibben, Trustee - Excused
Anthony J. Picente, Jr., Trustee - Excused

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.
Introduction

Chairman Koelmel welcomed the Trustees and NYPA and Canal staff members who were present at the meeting and said Trustees McKibben and Picente were excused from attending the meeting. He continued that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority’s Bylaws, Article III, Section 3.

Chairman Koelmel said that the Governance, Audit and Finance committees met earlier and the respective Chairs of those committees would provide a report later in the meeting. In addition, yesterday the members were actively engaged in the ribbon cutting and launch of the Authority’s new integrated Smart Operations Center (“iSOC”) on the eight floor of the building.
1. **Adoption of the December 12, 2017 Proposed Meeting Agenda**

Upon motion made by Trustee Kress and seconded by Trustee Balboni, the meeting Agenda was adopted.

**Conflicts of Interest**

Trustee Kress declared conflicts of interest as indicated below and said she would not participate in the discussions or votes as they relate to those matters.

- The Research Foundation for SUNY at Binghamton *(Item #4b i)*
- La Bella Associates; Bergmann Associates *(Item #4b vii)*

Chairman Koelmel, Vice Chairman Nicandri and Trustees Balboni and Trainor declared no conflicts of interest.
2. **Motion to Conduct an Executive Session**

   *Mr. Chairman, I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105 of the Public Officers Law).* Upon motion made by Vice Chairman Nicandri and seconded by Trustee Kress, the members held an executive session.
3. **Motion to Resume Meeting in Open Session**

*Mr. Chairman, I move to resume the meeting in Open Session.* Upon motion made by Trustee Kress and seconded by Trustee Balboni, the meeting resumed in Open Session.

Chairman Koelmel said no votes were taken during the Executive Session.
4. CONSENT AGENDA:

Upon motion made by Trustee Balboni and seconded by Vice Chairman Nicandri, the Consent Agenda was approved.
a. Governance Matters:

   i. Approval of the Minutes

      The Minutes of the Regular Meeting held on September 26, 2017 were unanimously adopted.
ii. **Proposed 2018 Schedule of Meetings**

The Vice President and Corporate Secretary submitted the following report:

“The following schedule of meetings for the year 2018 is recommended:

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<td>Dec 25 - Christmas</td>
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**RECOMMENDATION**

The President and Chief Executive Officer and I support the proposed 2018 meeting schedule as set forth in the foregoing report.

I recommend the approval of the above-requested action by adoption of the resolution below.”

The following resolution, as submitted by the Vice President and Corporate Secretary, was unanimously adopted by the Board of Directors.

**RESOLVED, That the 2018 meeting schedule, as set forth in the foregoing report of the Vice President and Corporate Secretary, be, and hereby is, approved.**
iii. **Committee Appointments**

The Chairman submitted the following report:

"**SUMMARY**

The Authority’s Board of Trustees and the Canal Corporation’s Board of Directors are requested to adopt the committee appointments as indicated below. These appointments were reviewed by the Governance Committee at its December 12, 2017 meeting.

**BACKGROUND and DISCUSSION**

The following changes in committee composition are recommended in order to achieve an even distribution of assignments for each member. (Change indicated in **bold**)

**Audit Committee**
Eugene L. Nicandri (Chair), John R. Koelmel, Anne Kress, Anthony J. Picente, Jr., Tracy B. McKibben

**Finance Committee**
Tracy B. McKibben (Chair), John R. Koelmel, Anne M. Kress, Anthony J. Picente, Jr., **Michael A. L. Balboni**

**Governance Committee**
Anne M. Kress (Chair), John R. Koelmel, Eugene L. Nicandri, Anthony J. Picente, Jr., **Dennis G. Trainor**

**Cyber and Physical Security Committee**
Michael A.L. Balboni (Chair), John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, **Dennis G. Trainor**

**RECOMMENDATION**

I recommend the approval of the above-requested action by adoption of the resolution below.”

The following resolution, as submitted by the Chairman, was unanimously adopted.

**RESOLVED,** That the members of the Audit Committee shall be: Eugene L. Nicandri (Chair), John R. Koelmel, Anne Kress, Anthony J. Picente, Jr., Tracy B. McKibben; and be it further

**RESOLVED,** That the members of the Finance Committee shall be: Tracy B. McKibben (Chair), John R. Koelmel, Anne M. Kress, Anthony J. Picente, Jr., Michael A. L. Balboni; and be it further

**RESOLVED,** That the members of the Governance Committee shall be: Anne M. Kress (Chair), John R. Koelmel, Eugene L. Nicandri, Anthony J. Picente, Jr., Dennis G. Trainor; and be it further

**RESOLVED,** That the members of the Cyber and Physical Security Committee shall be: Michael A.L. Balboni (Chair), John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, Dennis G. Trainor.
iv. Amendments to the Authority’s Governance Committee Charter

The Governance Committee submitted the following report:

“SUMMARY

The Governance Committee recommends that the Trustees adopt the Authority’s Governance Committee Charter as amended and set forth in Exhibits ‘4a iv-A’ and ‘4a iv-A-1.’ These amendments were reviewed and approved by the Governance Committee at its December 12, 2017 meeting.

BACKGROUND & DISCUSSION

The Authority’s Governance Committee Charter was last amended on July 26, 2011. The changes to the Authority’s Governance Committee are proposed to conform with the Canal Corporation’s Governance Committee Charter, which was adopted on January 31, 2017.

FISCAL INFORMATION

None.

RECOMMENDATION

The Governance Committee recommends that the Trustees approve the proposed amendments to the Authority’s Governance Committee Charter by adoption of the resolution below.”

The following resolution, as submitted by the Governance Committee, was unanimously adopted.

RESOLVED, That the Trustees adopt the Authority’s Governance Committee Charter in the form proposed in Exhibit “4a iv-A.”
v. Amendments to the Authority’s Audit Committee Charter

The Audit Committee submitted the following report:

“SUMMARY

The Audit Committee recommends that the Trustees adopt the Authority’s Audit Committee Charter as amended and set forth in Exhibits ‘4a v-A’ and ‘4a v-A-1.’ These amendments were reviewed and approved by the Audit Committee at its December 12, 2017 meeting.

BACKGROUND & DISCUSSION

The Authority’s Audit Committee Charter was last amended on March 26, 2015. The changes to the Authority’s Audit Committee are proposed to reflect best practices and to conform with the Canal Corporation’s Audit Committee Charter, which was adopted on January 31, 2017.

FISCAL INFORMATION

None.

RECOMMENDATION

The Audit Committee recommends that the Trustees approve the proposed amendments to the Authority’s Audit Committee Charter by adoption of the resolution below.

The following resolution, as submitted by the Audit Committee, was unanimously adopted.

RESOLVED, That the Trustees adopt the Authority’s Audit Committee Charter in the form proposed in Exhibit “4a v-A.”
vi. Amendments to the Authority’s Finance Committee Charter

The Finance Committee submitted the following report:

“SUMMARY

The Finance Committee recommends that the Trustees adopt the Authority’s Finance Committee Charter as amended and set forth in Exhibits ‘4a vi-A’ and ‘4a vi-A-1.’ These amendments were reviewed and approved by the Finance Committee at its December 12, 2017 meeting.

BACKGROUND & DISCUSSION

The Authority’s Finance Committee Charter was last amended on October 26, 2010. The changes to the Authority’s Finance Committee Charter are proposed to conform with the Canal Corporation’s Finance Committee Charter, which was adopted on January 31, 2017.

FISCAL INFORMATION

None.

RECOMMENDATION

The Finance Committee recommends that the Trustees approve the proposed amendments to the Authority’s Finance Committee Charter by adoption of the resolution below.

The following resolution, as submitted by the Finance Committee, was unanimously adopted.

RESOLVED, That the Trustees adopt the Authority’s Finance Committee Charter in the form proposed in Exhibit “4a vi-A.”
vii. **Adoption of the Cyber and Physical Security Committee Charter**

The President and Chief Executive Officer submitted the following report:

“**SUMMARY**

The Trustees are requested to review and adopt the Cyber and Physical Security Committee Charter (Exhibit ‘4a vii-A’).

**BACKGROUND & DISCUSSION**

The purpose of this new Board of Trustees (‘Board’) Committee is to provide guidance and serve as a resource to the Board and management in the development and monitoring of the Authority’s physical and cyber security management processes, with emphasis on its cyber and physical security policies, its long-term objectives, direction and strategy; and perform such other responsibilities as the Trustees shall assign to it.

The specific responsibilities of the Cyber and Physical Security Committee include:

- Providing guidance and serving as a resource to the Board and management in the development of the Authority’s cyber and physical security policies and its long-term objectives, direction and strategy;
- Advising the Board and other Board committees on physical and cyber security matters and keep the Board and committees informed of current best security practices;
- Engaging with the Authority’s management on alignment of security strategy and business objectives, company policies, organizational security initiatives, and reviewing compliance with physical security and information technology laws and regulations; and
- Making recommendations to promote sound planning by the Authority to protect its physical assets, cyber systems and information.

The Cyber and Physical Security Committee Charter is attached as Exhibit ‘4a vii-A’.

**RECOMMENDATION**

The Executive Vice President and General Counsel and I recommend that the Trustees approve the Cyber and Physical Security Committee Charter.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

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

**RESOLVED, That the Cyber and Physical Security Charter be adopted in the form proposed in Exhibit “4a vii-A.”**
b. Rate Making:

   i. Decrease in Westchester County Governmental Customer Revenue Collection – Notice of Adoption

   The President and Chief Executive Officer submitted the following report:

   "SUMMARY

   The Trustees are requested to approve a decrease in the revenue collection for the sale of firm power to the Westchester County Governmental Customers ('Customers') in 2018. This proposed action is consistent with the rate-setting process set forth in the 2006 Supplemental Electricity Agreements executed by the Customers and the Authority and in accordance with the State Administrative Procedure Act ('SAPA').

   This proposed final action seeks approval to revise the production rates and billing of the Customers to decrease revenue collection by 6.72%, as compared to the Final 2017 Cost-of-Service ('COS'). The decrease would be effective with the January 2018 bills.

   BACKGROUND

   At their meeting on September 26, 2017, the Trustees directed the publication in the New York State Register ('State Register') of a notice that the Authority proposed to decrease the revenue collection by 2.42%, or $0.83 million, for rate year 2018. The State Register notice was published on October 11, 2017 in accordance with the SAPA. The forty-five day public comment period was then established and closed on November 25, 2017. There were no public comments received during the comment period.

   DISCUSSION

   As part of the proposed revenue collection decrease, the Fixed Costs component is expected to decrease from $3.09 million to $1.29 million, an approximate $1.80 million decrease as compared to the Final 2017 COS. The proposed decrease is primarily driven by an approximate $1.24 million decrease in Operations & Maintenance ('O&M') costs and a planned decrease in work at the Small Hydroelectric facilities. As of 2018, most New York City Governmental Customers will be under a new Supplemental Power Supply Agreement, and in order to keep overall rate development consistent for the Westchester County Governmental Customers, staff developed an updated methodology to allocate costs. This new cost allocation methodology will be applied to the Final 2018 COS.

   The Variable Costs component is projected to decrease from $31.17 million to $30.66 million, an approximate $0.50 million or 1.6% decrease as compared to the Final 2017 COS. The primary cost element, energy purchases, is $21.70 million and accounts for 68% of the total production costs. The Customers receive a pro-rated share of energy from the Small Hydroelectric generation facilities, but most of their energy requirements are purchased from the market (in NYISO Zones A (Western New York), D (Northern New York) and G (Hudson Valley)). The projected 2018 prices for Zones A, D and G are expected to be lower than those that were projected for 2017 and incorporated into the rates that are currently in effect. Also contributing to the decrease in Variable Costs are lower capacity costs due to projected lower Rest-of-State capacity prices. Zero Emissions Credits ('ZECs'), a component of New York State’s Clean Energy Standard, will be passed-through to the Customers as a separate line item on their bill to allow for precise tracking of the incurred costs for the Customers.

   In 2018, the Customers will continue to be subject to an Energy Charge Adjustment under which the Authority passes through all actual Variable Costs to the Customers. This cost-recovery mechanism employs a monthly charge or credit that reflects the difference between the projected Variable Costs of electricity recovered by the tariff rates and the monthly actual Variable Costs incurred by the Authority.
Based on further staff analysis and NYPA’s 2018 Official Budget approved by the Trustees on December 12, 2017, the Final 2018 Westchester County Governmental Customers’ COS is $31.95 million. Excluding the estimated ZEC charges, the Final 2018 COS is $30.13 million. At existing 2017 rates, estimated revenues are $32.97 million, resulting in an over-recovery of $2.84 million when excluding ZEC charges. As a result, the applicable rates will be revised to decrease revenue collection by 9.44%. The current 2017 and final 2018 proposed rates with the 9.44% revenue decrease are shown in Exhibit ‘4b i-A.’

FISCAL INFORMATION

The adoption of the 2018 production rate decrease would have no effect on NYPA’s financial position.

RECOMMENDATION

The Vice President – Finance and the Director – Revenue & Pricing Analysis recommend that the Trustees authorize the Corporate Secretary to file a Notice of Adoption with the New York State Department of State for publication in the New York State Register for the adoption of a production rate decrease applicable to the Authority’s Westchester County Governmental Customers.

The Trustees are also requested to authorize the Vice President of Economic Development, or his designee, to issue written notice of adoption and the revised tariff leaves, as necessary, to the affected Customers.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

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

RESOLVED, That the Vice President – Economic Development or his designee be, and hereby is, authorized to issue written notice of this final action to decrease revenue collection through production rates and billing by 6.72% for 2018 as compared to 2017 COS rates and billing by the Trustees to the affected Customers; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the New York State Department of State for publication in the New York State Register and to submit such other notice as may be required by statute or regulation concerning the rate decrease; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
c. Power Allocations

i. Transfer of RNY Power, RNY Hydropower and Replacement Power Allocations

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to approve the transfer of the following (i) Recharge New York ('RNY') Power allocations (consisting of market power and New York Power Authority ('NYPA') hydropower); (ii) RNY Hydropower Power allocations (consisting of only NYPA hydropower); and (iii) Replacement Power allocation, subject to the conditions discussed in this report:

1. Transfer of a 366-kilowatt ('kW') RNY Power allocation from Adchem Corporation to Berry Specialty Tapes, LLC, in order to address a change in ownership of the business.

2. Transfer of a 550-kW RNY Hydropower allocation from Delphi Automotive Systems LLC to Delphi Powertrain Systems LLC, in order to address internal corporate organizational changes.

3. Transfer of a 70-kW RNY Hydropower allocation from the facility of Giovanni Food Company, Inc. located in Syracuse, NY, to a new facility that Giovanni operates in Baldwinsville, NY.

4. Transfer of (i) a 50-kW RNY Hydropower allocation awarded to Jiffy-tite Company, Inc. for use at its Lancaster, NY facility to the Oetiker Group, and (ii) a pending 140-kW RNY Power allocation awarded to Jiffy-tite Company, Inc. for use at its Batavia, NY facility to the Oetiker Group to address a change in ownership of the business.

5. Transfer of a 90-kW RNY Hydropower allocation from Town Sports International, LLC to Elmsford Elite Laundry, LLC to address a change in ownership of the business.

6. Transfer of a 2,000-kW Replacement Power allocation from The Chemours Company FC, LLC to Olin Corporation, in Niagara Falls, NY to address ownership changes.

The Economic Development Power Allocation Board, at its December 11, 2017 meeting, approved the transfers of the six RNY allocations.

The Trustees have previously approved transfers of RNY Power, RNY Hydropower, and Replacement Power allocations in similar circumstances.

DISCUSSION

The following discussion provides the basis for the recommended transfers.

1) Adchem Corporation

Adchem Corporation ('Adchem') has a 366-kW RNY Power allocation for use at its facility in Riverhead, NY where it manufactures specialty pressure sensitive adhesive tapes. Adchem has been purchased by Berry Specialty Tapes, LLC ('Berry').

The customer requests a formal transfer of its RNY Power allocation from Adchem to Berry. Berry would continue to operate the manufacturing business at the Riverhead facility, and take the transfer of the allocation subject to the terms and conditions that have been applicable to Adchem in accordance with Adchem’s RNY power contract with NYPA.
2) Delphi Automotive Systems LLC (Delphi Technical Center Rochester)

Delphi Automotive Systems LLC (‘Delphi Automotive’) is a global engineering company focusing on the automobile industry, whose business includes product development, as well as test and validation of engine components and fuel delivery systems. It has a 550-kW RNY Hydropower allocation that it uses at its facility in West Henrietta, NY.

The ownership of the business created a new limited liability company which is named Delphi Powertrain Systems LLC (‘Delphi Powertrain’).

The customer requests a formal transfer of the RNY Hydropower allocation to Delphi Powertrain, which would continue to conduct business at the West Henrietta facility. The transfer would be subject to the terms and conditions that have been applicable to Delphi Automotive under its power sale contract with NYPA.

3) Giovanni Food Company, Inc.

Giovanni Food Company, Inc. (‘Giovanni’) has a 70-kW RNY Hydropower allocation that it uses at its facility in Syracuse, NY, where it manufactures and distributes its own brands of pasta sauce; packs and distributes pasta, pizza and BBQ sauces and salsa for private label brands. The facility warehouses and ships the finished goods.

Giovanni has moved to a new facility in Baldwinsville, NY to accommodate growth. It is requesting a formal transfer of its RNY Hydropower allocation from the Syracuse facility to the Baldwinsville facility. The transfer would be made subject to the terms and conditions that have been applicable to Giovanni at the Syracuse facility under its power contract with NYPA.

4) Jiffy-tite Company, Inc.

Jiffy-tite Company, Inc. (‘Jiffy-tite’) manufactures quick-connect fluid couplers for the automotive industry. The fittings are used in the transmission and cooling systems of GM, Chrysler, Ford and other vehicles. It has a 50-kW RNY Hydropower allocation which it uses at its facility in Lancaster, NY. NYPA has also awarded the company a 140-kW RNY allocation to support an expansion at its Batavia location, but the allocation has not yet been taken down.

Jiffy-tite has been purchased by the Oetiker Group and it plans to rebrand the business as Oetiker NY, Inc.

The customer requests a formal transfer of the 50 kW RNY Hydropower allocation and the pending 140 kW RNY Power allocation from Jiffy-tite to the Oetiker Group company that will operate the facilities. The Oetiker Group would continue to operate the Lancaster and Batavia facilities, and take the transfers subject to the terms and conditions that have been applicable to Jiffy-tite under its power sale contract with NYPA.

5) Town Sports International, LLC

Town Sports International, LLC (‘TSI’) has a 90-kW RNY Hydropower allocation that it uses to support a laundry business at its facility in Elmsford, NY. TSI provides linen service to TSI sports clubs such as New York Sports Club, and several hotels in the New York metropolitan area.

TSI has been acquired by Elmsford Elite Laundry, LLC (‘Elmsford’), a sister company. The customer requests a formal transfer of the RNY Hydropower allocation to Elmsford, which would continue to operate the business at the current facility, and take the transfer subject to the terms and conditions that have been applicable to TSI under its power sale contract with NYPA.
6) The Chemours Company FC, LLC

The Chemours Company FC, LLC (‘Chemours’) is a performance chemicals manufacturing customer with a 5,000-kW Replacement Power (‘RP’) allocation, located in Niagara Falls. The company has notified the Authority that it is closing its Niagara Falls facility.

Chemours is requesting the transfer of the 3,000-kW RP allocation to Olin Corporation (‘Olin’), which operates a facility next door and is also a customer of the Authority (with four RP allocations of its own totaling 79.45 megawatts). Olin is purchasing certain assets from Chemours that provide cooling water to both companies’ plants - river water pumps and ancillary equipment (‘Assets’) - in order to support continued operations at Olin’s facility once Chemours ceases operations.

Olin is investing over $4 million to ensure that the equipment is rerouted and separated from Chemours. Olin has agreed to retain 210 employees at its facility in order to receive the transferred allocation, an increase of 20 jobs above its current employment commitment for its existing allocations. Staff has determined that a partial transfer of 2,000 kW is appropriate to support the operation of the assets. Olin, which would continue to operate the acquired assets at its current facility, has agreed to partial transfer of the RP Power allocation in the amount of 2,000 kW from Chemours, and to take the transfer subject to the standard RP Power Allocation contract terms and conditions including a new employment commitment level totaling 210 persons.

RECOMMENDATION

Staff recommends that the Trustees approve the transfers discussed above, subject to the following conditions: (1) with respect to the RNY program allocations,* there be no material reductions in the base employment levels or capital investment commitments due to the transfers as provided for above; and (2) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate each transfer.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

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

RESOLVED, That the transfer of the 366-kilowatt ("kW") RNY Power allocation awarded to Adchem Corporation for use at its facility in Riverhead, New York, to Berry Specialty Tapes, LLC for its use at the same facility, as described in the foregoing report of the President and Chief Executive Officer be, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further

RESOLVED, That the transfer of the 550-kW RNY Hydropower allocation awarded to Delphi Automotive Systems, LLC for use at its facility in West Henrietta, New

* The unique circumstances involved in the Chemours-Olin transaction and transfer will not result in a simple assumption of Chemours’ contractual obligations, including its job and capital investment commitments, by Olin. Authority staff anticipate amending an existing Olin contract to reflect the new commitments that Olin will agree to undertake in exchange for a transfer of a portion of the Chemours RP allocation.
York, to Delphi Powertrain Systems, LLC, as described in the foregoing report of the President and Chief Executive Officer be, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further

RESOLVED, That the transfer of the 70-kW RNY Hydropower allocation awarded to Giovanni Food Company, Inc. for use at its facility in Syracuse, New York, be transferred to its facility in Baldwinsville, New York, as described in the foregoing report of the President and Chief Executive Officer, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further

RESOLVED, That the transfer of the (i) 50-kW RNY Hydropower allocation awarded to Jiffy-tite Company, Inc. for use at its facility in Lancaster, New York, and (ii) pending 140-kW RNY Power allocation awarded to Jiffy-tite Company, Inc. for use at its facility in Batavia, New York, to Oetiker Group (or the appropriate corporate affiliate thereof, as determined by Authority staff), as described in the foregoing report of the President and Chief Executive Officer be, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further

RESOLVED, That the transfer of the 90-kW RNY Hydropower allocation awarded to Town Sports International, LLC for use at its facility in Elmsford, New York, to Elmsford Elite Laundry, LLC, as described in the foregoing report of the President and Chief Executive Officer be, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further

RESOLVED, That the transfer of 2,000 kW of the Replacement Power allocation awarded to The Chemours Company FC, LLC for use at its facility in Niagara Falls, NY, to Olin Corporation, as described in the foregoing report of the President and Chief Executive Officer be, and hereby is, approved subject to (i) such conditions as set forth in the foregoing report of the President Chief Executive Officer, and (ii) the terms of any contract documents prepared by the Authority to effectuate this resolution, and be it further
RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
ii. Contract for the Sale of Replacement Power – Transmittal to the Governor

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to:

1) Approve the proposed final contract (‘Contract’) for the sale of 300 kilowatts (‘kW’) of Replacement Power (‘RP’) to Flexo Transparent, LLC (‘Flexo’ or ‘Company’) in accordance with Public Authorities Law (‘PAL’) §1009, the terms of which are summarized below and in Exhibit ‘4c ii-A.’

2) Authorize transmittal of the Contract to the Governor for his review and requested authorization for the Authority to execute the Contract pursuant to PAL §1009.

The Contract is attached as Exhibit ‘4c ii-B.’

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 250 megawatts (‘MW’) of Expansion Power (‘EP’) and 445 MW of RP (collectively, ‘WNY Hydropower’) to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county. Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 490 MW of Preservation Power to businesses located in Jefferson, Franklin and St. Lawrence Counties.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. At least 30-days’ notice of the hearing must be given by publication once in each week during such period in each of six selected newspapers. Following the public hearing, the contract may be modified, if advisable.

Upon approval of the final proposed contract by the Authority, the Authority ‘reports’ the proposed contract, along with its recommendations and the public hearing record, to the Governor and other elected officials. Upon authorization of the Governor, the Authority may execute the contract.

DISCUSSION

At their meeting on July 25, 2017, the Trustees awarded a 300-kW RP allocation to Flexo, as described in Exhibit ‘4c ii-A.’ At this meeting, the Trustees also authorized a public hearing on the proposed Contract for the sale of this allocation pursuant to PAL §1009.

In summary:

- The Contract before the Board would provide for the sale of the allocation to the Company under a direct sale arrangement.

- Transmission and delivery service would be provided by the Company’s local utility in accordance with the utility’s Public Service Commission-filed delivery service tariff.

- The Contract would provide for the direct billing of all production charges (i.e. demand and energy) as well as all New York Independent System Operator, Inc. charges, plus taxes or
any other required assessments, as set forth in the Trustee-approved Service Tariff No. WNY-1.

- The Contract includes the Company’s agreed-upon commitments with respect to employment, power utilization and capital investments. The Authority would retain the right to reduce or terminate the allocation if employment, power utilization, or capital investment commitments are not met.

- The Contract provides for the sale of additional allocations of WNY Hydropower to the Company in appropriate circumstances by incorporating new allocations into Schedule A of the Contract. The Trustees approved this convention in the 2010 long-term extension contract for hydropower, which simplifies contract administration.

- To accommodate non-payment risk that could result from the direct billing arrangement with the Authority, the Contract includes commercially reasonable provisions concerning, among other things, the ability to require deposits in the event of a customer’s failure to make payment for any two monthly bills. This is consistent with broader Authority contract template changes that incorporate direct billing, including the Authority’s Recharge New York contract forms.

- The Contract requires the Company to perform an energy efficiency audit at least once within five years at the facility receiving the low-cost power to help ensure the hydropower is utilized as effectively as possible.

- The Contract provides for collection of a Zero Emission Credit Charge and a Renewable Energy Credit Charge to allow the Authority to recover costs it would incur relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the load of the Company.

The Authority has discussed the Contract with Flexo and has received its consent to the Contract. The Company has also acknowledged application of the appropriate tariff, discussed above, to the allocation.

A public hearing on the Contract was held on September 7, 2017 at the Power Vista (Visitors Center) at the Niagara Power Project in Lewiston. No oral statements were given at the public hearing. The official transcript of the public hearing is attached as Exhibit ‘4c ii-C.’ Staff has not identified any substantive changes to the Contract as a result of the public hearing process.

RECOMMENDATION

The Manager – Power Contracts recommends that the Trustees approve the Contract for the sale of Replacement Power to Flexo Transparent, LLC and authorize the transmittal of the Contract to the Governor for his review and to seek his authorization for the Authority to execute the Contract pursuant to PAL §1009.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below:"

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

RESOLVED, That the contract (“Contract”) for the sale of 300 kilowatts (“kW”) of Replacement Power to Flexo Transparent, LLC is in the public interest, and in accordance with Public Authorities Law §1009 should be submitted to
the Governor for his review and to seek his authorization for the Authority to execute the Contract, along with a copy of the record of the public hearing thereon, and copies of the Contract along with the record of the public hearing thereon, be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

RESOLVED, That the Chairman and the Corporate Secretary be authorized and directed to execute such Contract in the name of, and on behalf of, the Authority if the Contract is approved by the Governor; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or his or her designee be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contract with Flexo Transparent, LLC as set forth in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
iii. Second Amendment to 2011 Cost Share Agreement for Shore Power with the City of New York

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to approve a Second Amendment to the terms of the existing 2011 agreement (‘2011 Agreement’) between the City of New York (‘City’) and the New York Power Authority (‘Authority’), relating to cost sharing for shore power service at the Brooklyn Cruise Terminal (‘BCT’). The Second Amendment will continue the existing collaborative effort in establishing shore power capability at the BCT. Copies of the 2011 Agreement, the first executed amendment in 2015 (entitled ‘First Amendment to the Agreement Between the City of New York and the Authority’) and the proposed second amendment (entitled ‘Second Amendment to the Agreement Between the City of New York and the Authority’) are attached hereto as Exhibits ‘4c iii-A,’ ‘4c iii-B’ and ‘4c iii-C,’ respectively.

BACKGROUND

Since early 2007, the Authority had been in discussions with the City, the New York City Economic Development Corporation (‘NYCEDC’) and the Port Authority of New York and New Jersey (‘Port Authority’) regarding a proposal to install shore power capability at the BCT. On October 26, 2010, the Authority’s Trustees authorized the President and Chief Executive Officer, and his designees, to enter into an agreement with the City of New York (‘City’) whereby the Authority, on or about January 31, 2011, entered into the 2011 Agreement with the City.

The 2011 Agreement was designed to facilitate improved air quality in the densely populated community surrounding the BCT by reducing pollutants. Additionally, the region continues to be considered as a non-attainment zone for certain emissions. The issue of cruise and container ship shore pollution from on board auxiliary diesel generators continues to be a bi-coastal issue. Identifiable emissions are NOx, SOx, as well as fine particulate (soot). Current solutions include: reducing the sulfur content of fuel; installing emission control devices; and accessing a land-based power source, or shore power.

Carnival Corporation & plc (‘Carnival’) continues to be a partner in this agreement and is charged a maximum rate for electricity of 12 cents per kilowatt-hour and the City and the Authority split the incremental charges above the 12 cents per kilowatt-hour threshold. In addition, the 2011 Agreement had applied only to usage resulting from the shore power connection of two specific ships at the BCT, the Queen Mary 2 and the Caribbean Princess. The cost sharing between the City and the Authority was determined as 50% of the difference between the maximum 12 cents per kilowatt-hour to be charged by NYCEDC to Carnival and the Authority’s otherwise applicable tariff rate. The 2015 Amendment is set to expire on December 31, 2017.

DISCUSSION

In recent discussions between the Authority and the City, the City has requested that the 2015 Amendment be renewed and/or extended. The 2015 Amendment had replaced paragraph 1 of the 2011 Agreement with a new provision that removed reference to specific ships and expanded the operational conditions of the agreement. Specifically, it stated that the Authority and the City each cover half of the difference between the cost of the electrical power consumed by cruise ships berthed at the BCT and drawing shore power (i) at the Carnival Rate (12 cents per kilowatt-hour) and (ii) the applicable Authority rate, not to exceed forty (40) calls per calendar year by the Carnival Corporation Lines or Non-Carnival Shore Power Vessels or four hundred (400) hours, whichever comes first. If the limits described in (ii) are exceeded by Carnival Corporation Lines and Non-Carnival Shore Power Vessels, cumulatively, applicable standard electric rates for electric supply under the Authority’s Service Tariff shall be applied.
The Second Amendment for consideration by the Trustees will supersede the First Amendment with a new termination date of December 31, 2022 and/or when the Authority’s cost share of $5 million is fully expended; whichever comes first.

FISCAL INFORMATION

The cost share amount to the Authority as referenced above remains unchanged from the 2011 Cost Share Agreement at a monetary level of $5 million. To date, the Authority’s cost share amount expended is $1.2 million. The cost share agreement will continue to be funded by Operating Revenues.

RECOMMENDATION

The Vice President - Economic Development recommends that the Trustees approve the proposed Second Amendment to the 2011 Agreement between the City and the Authority.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

WHEREAS, at the request of, and in cooperation with, the City of New York (“City”), the Authority has requested to amend the Cost Share Agreement with the City for Shore Power at the Brooklyn Cruise Terminal (“BCT”); and

WHEREAS, shore power capability at the BCT will continue to result in utilization of new, clean air technology, improved air quality in the region and positive health benefits for the residents in the vicinity of the BCT; and

WHEREAS, provision by the Authority of a Second Amendment to the Cost Share Agreement with the City will continue to allow for additional cruise ships with Shore Power capability to berth at the BCT, while placing limits on the cost share responsibility for the Authority and the City for the term of the Cost Share Agreement;

NOW, THEREFORE, BE IT RESOLVED, That the President and Chief Executive Officer, or his designee, is hereby authorized on behalf of the Authority to execute amended agreements between the Authority and the City, as described in the foregoing report of the President and Chief Executive Officer and any other consents, agreements or other transactions as are necessary or ancillary to such agreement and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Chief Commercial 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 necessary or advisable to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.
d. Procurement (Services) Contracts:

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit ‘4d i-A,’ as well as the continuation and/or funding of the procurement (services) and other contracts listed in Exhibit ‘4d i-B,’ in support of projects and programs for the Authority’s Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the bases for the new awards if other than to the lowest-priced, lowest total cost of ownership or ‘best valued’ bidders and the intended duration of such contracts, or the reasons for extension and the projected expiration dates, are set forth in the discussion below.

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 Authority’s Expenditure Authorization Procedures (‘EAPs’) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of $3 million, as well as personal services contracts in excess of $1 million if low bidder, or $500,000 if sole-source, single-source or non-low bidder.

The Authority’s EAPs also require the Trustees’ approval when the cumulative change-order value of a personal services contract exceeds $500,000, or when the cumulative change-order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of $1 million or 25% of the originally approved contract amount not to exceed $3 million.

DISCUSSION

Awards

The terms of these contracts will be more than one year; therefore, the Trustees’ approval is required. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts, which range in estimated dollar value from approximately $45,000 to $9.5 million. Except as noted, these contract awards do not obligate the Authority to a specific level of personnel resources or expenditures.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices can be negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

Although the firms identified in Exhibit ‘4d i-B’ have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing
these contracts. The Trustees’ approval is required because the terms of these contracts will exceed one
year including the extension, the term of extension of these contracts will exceed one year and/or
because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming
change orders. The subject contracts contain provisions allowing the Authority to terminate the services
at the Authority’s convenience, without liability other than paying for acceptable services rendered to the
effective date of termination. These contract extensions do not obligate the Authority to a specific level of
personnel resources or expenditures.

Extension of the contracts identified in Exhibit ‘4d i-B’ is requested for one or more of the
following reasons: (1) additional time is required to complete the current contractual work scope or
additional services related to the original work scope; (2) to accommodate an Authority or external
regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required
services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence
and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized
equipment, at reasonable negotiated rates, that the Authority needs to continue until a permanent system
is put in place.

The following is a detailed summary of each recommended contract award and extension.

**Contract Awards in Support of Business Units/Departments and Facilities:**

**Energy Solutions**

**Energy Efficiency**

The proposed contract with R.G. Vanderweil Engineers, PC (‘RGV’) (Q17-6176LW; PO#
4600003384) became effective October 13, 2017, for the initial interim award amount of $500,000,
subject to the Trustees’ approval as soon as practicable, in accordance with the Authority’s Guidelines for
Procurement Contracts and EAPs. The Authority is seeking to aid in the development of a Combined
Heat and Power (CHP) plant at the University of Albany in Albany, NY. The proposed contract provides
for the completion of biddable design documents and program reports. The design effort will result in a
system design that includes a reliable and efficient CHP plant to be integrated with the existing heating
plant to provide thermal and electrical energy year round. The design will include the capability for a
portion of the facility to ‘island’ from the grid and run self-sufficiently as determined necessary by the
University. The Request for Quotations was advertised in the New York State *Contract Reporter* and
noticed on the Authority’s Strategic Supply Management (Procurement) website. Eight firms responded
with proposals in the bidding process, and after an initial assessment two were deemed to be non-
responsive. The six responsive proposals were subject to technical evaluation, as further set forth in the
Award Recommendation documents. Staff recommends the award of a contract to RGV which is
technically and commercially qualified and meets the bid requirements on the basis of ‘best value’, which
optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of
this contract is two years, subject to the Trustees’ approval, which is hereby requested. Approval is also
requested for the total amount expected to be expended for the term of the contract, $1,452,250.

The proposed contract with GoodMart, LLC (‘GoodMart’) (Q17-0192KK; PO# TBA) would
provide lighting materials for a 2-year term, with the option of three 1-year extensions. This contract is in
support of the Authority’s Energy Services Program. Bid documents were developed by staff and were
accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State
*Contract Reporter* and noticed on the Authority’s Strategic Supply Management (Procurement)
website. Eighteen firms / entities were invited or requested to participate in the bidding process. After
four post-bid addenda, eight proposals were received electronically via ARIBA and were evaluated, as
further set forth in the Award Recommendation documents. Staff recommends the award of a contract to
GoodMart, which is technically and commercially qualified and meets the bid requirements on the basis of
‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The
intended term of this contract is two years, with the option of three 1-year extensions, subject to the Trustees’
approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $7 million.

Information Technology – Application Services

The proposed contract with Hagerman & Company, Inc. (‘Hagerman’) (Q17-6263RM; PO# TBA) would provide Hagerman Project Connection software licenses, Hagerman Project Connection software maintenance for 3 years, implementation and training fees, travel and living, and ongoing support for Autodesk Vault licenses, Hagerman Project Connection and the use of AutoCAD customizations. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Seven firms / entities were invited or requested to participate in the bidding process. Three proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Hagerman, which is technically and commercially qualified and meets the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of the contract 3 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $1,450,000.

Information Technology – Infrastructure

The proposed contract with Canon Solutions America, Inc. (‘Canon’) (Q17-6206JW; PO# TBA) would provide related products, maintenance, consumables and customer service concerning Managed Print Services (MPS). Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Nineteen firms / entities were invited or requested to participate in the bidding process. Three proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Canon, which is technically and commercially qualified and meets the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of the contract 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $3,984,833.

The proposed contract with HB Communications, Inc. (‘HB’) (Q17-6309JR; PO# TBA) would provide managing and furnishing Polycom Maintenance Services for all Video Conferencing hardware and software at all Authority locations. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Twelve firms / entities were invited or requested to participate in the bidding process. Three proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to HB which is technically and commercially qualified and meets the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of the contract 3 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $723,435.08.
Human Resources (‘HR’) & Enterprise Shared Services (‘ESS’)

ESS – Facility Management

The proposed contract with Kinsley Group, Inc. dba Kinsley Power Systems (formerly known as Kinsley Equipment Co.) (‘Kinsley’) (Q17-6286JM; PO# TBA) would provide for on-call generator maintenance and repair services for the Centroplex Building located at 123 Main Street, White Plains, NY 10601. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Three proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Kinsley which is technically and commercially qualified and meets the bid requirements as the lowest-priced bidder among responsive and responsible offerors. The intended term of the contract 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $44,700.

ESS – Real Estate

The proposed contracts with CT Male Associates Engineering, Surveying, Architecture & Landscape Architecture, DPC (‘CT Male’), Fisher Associates PE LS LA DPC (‘Fisher’) and GEOD Corp. (‘GEOD’) (Q17-6211JM; PO# TBA) would provide Regional Surveying and Mapping Services. These services will be used to provide surveying and mapping support for all Authority facilities on an as-needed basis for the 5 year period beginning January 1, 2018. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Five firms / entities were invited or requested to participate in the bidding process. Two proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to CT Male, Fisher and GEOD which are technically and commercially qualified and meet the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of this contract is 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total aggregate amount expected to be expended for the term of the contract, $9.5 million.

The proposed contract with WSP USA, Corp. dba WSP Sells (‘WSP’) (Q17-6210JM; PO# TBA) would provide Statewide Photogrammetry Surveying and Mapping Services. These services will provide transmission corridor photogrammetric mapping support for all Authority facilities on an as-needed basis for the 5 year period beginning January 1, 2018. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Six firms / entities were invited or requested to participate in the bidding process. Two proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to WSP which is technically and commercially qualified and meets the bid requirements as the lowest-priced bidder among responsive and responsible offerors. The intended term of this contract is 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $2 million.
Utility Operations

Civil / Structural Engineering

The proposed contracts with Bergmann Associates, Architects, Engineers, Landscape Architects & Surveyors, DPC (‘Bergmann’) and Gomez and Sullivan Engineers, DPC (‘Gomez’) (Q17-6273JGM; PO# TBA) would provide the FERC Part 12 Dam Safety Inspection services for the Gregory B. Jarvis Power Project (‘Jarvis’) (FERC L.P. No. 3211-NY) and the Niagara Power Project (‘Niagara’) (FERC L.P. No. 2216-NY). FERC Regulations require the Authority to hire an independent consultant to perform a dam safety inspection and review licensed projects every five years. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Nine firms / entities were invited or requested to participate in the bidding process. Three proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Bergmann for the smaller of the two projects, Jarvis, as they were the lowest-priced technically and commercially qualified bidder. Gomez was selected for award to conduct the Niagara inspection as it is technically and commercially qualified and met the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. It is known that Gomez has the knowledge, expertise and is qualified to do the work successfully based on completing FERC Part 12 Dam Safety Inspections at other NYPA locations. The intended term of these contracts is 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contracts, $558,884, with $221,428 to be awarded to Bergmann for Jarvis and $337,456 to be awarded to Gomez for Niagara.

Environmental Health & Safety

The proposed contract with Icahn School Of Medicine At Mount Sinai (‘Icahn’) (Q17-6287JGM; PO# TBA) would serve as the Authority’s Consulting Medical Director (CMD) for the Employee Occupational Health Program. Mount Sinai being a board certified occupational health physician would provide programmatic and medical consultation which includes occupational medical consultation, medical review officer, records retention, vaccinations and White Plains office Occupational Physicals. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Four firms / entities were invited or requested to participate in the bidding process. Two proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to Icahn which is technically and commercially qualified and meets the bid requirements as the lowest-priced bidder among responsive and responsible offerors. The intended term of this contract is 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $455,875.

Operations Support Services

At their meeting of December 17, 2013, the Trustees approved the award of a competitively bid five-year contract to CHA Consulting Inc. (‘CHA’), as one of five firms to provide civil and geotechnical design services to support the operation and maintenance of the Authority’s hydroelectric, pumped storage and fossil power generation projects, as well as its transmission and other ancillary facilities throughout New York State, when engineering requirements are beyond the resources of existing Authority engineering staff or during emergencies when special expertise is required or when Authority staff is not immediately available to support operational needs. The aggregate total amount of these contracts was $5 million. The master service agreement awarded to CHA provided for design services and construction support for the Station Service Upgrades and Long Sault Dam Motor Control Center Replacements at the Saint Lawrence – FDR Power Project. These projects are currently in the implementation phase and the proposed personal service contract award to CHA (PO# TBA), will provide
design services during construction and the provision of record drawings and documentation (as the Engineer of Record) after the completion of construction. Given CHA’s unique knowledge of this project, and their critical role through implementation and after completion, the Trustees are requested to approve the award of a 2 year contract on a single source basis. Additionally, the Trustees are requested to approve additional funding in the not-to-exceed amount of $500,000. This value considers the remaining balances of previously authorized task orders and includes an allowance for unforeseen circumstances.

The proposed contract with **DCB Elevator Company, Inc. (‘DCB’) (N17-20121128GJ; PO# TBA)** would provide elevator / escalator preventive maintenance on twenty five pieces of vertical lift equipment at the Niagara Power Project. Bid documents for this contract were sent to four NYS Office of General Services (‘OGS’) contract holders that service the Western NY region under an OGS mini-bid. Niagara staff reviewed the competitive bid information from two responsive bidders and developed a bid evaluation. Staff recommends the award of a contract to DCB which is technically and commercially qualified and meets the bid requirements as the lowest-priced bidder among responsive and responsible offerors. The intended term of this contract is not-to-exceed 4 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount not-to-exceed value of $400,000.

**Technical Compliance**

The proposed sole source contract with **New York State Department of Homeland Security and Emergency Services - Office of Fire Prevention and Control (‘OFPC’) (PO# TBA)** would provide annual Fire Inspection Services (‘the services’) to the Authority for all NYS Canal Corporation (‘Canals’) owned buildings pursuant to Executive Law 156(13), and as requested, on an as needed basis, training and consulting services. Staff recommends the award of the sole source contract to OFPC. The intended term of the contract 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, $100,000.

**Transmission – Central and SENY**

The proposed contracts with **Northeast Professional Engineering Consultants, LLC (‘NPE’) and Stantec Consulting Services, Inc. (‘Stantec’) (Q17-6158MS-1; PO# TBA)** would provide services to perform technical consulting services for the design, evaluation, repair, modification and upgrade of cranes required to maintain the Authority’s critical infrastructure during daily and emergency power generation activities. These services include, but are not limited to, technical consulting for the development of crane and hoist testing and maintenance guidelines, and modifications and upgrades for the various existing and/or newly required cranes located at the Authority’s facilities throughout New York State. Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Fifteen firms / entities were invited or requested to participate in the bidding process. Four proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to NPE and Stantec which are technically and commercially qualified and meet the bid requirements on the basis of ‘best value’, which optimizes quality, cost and efficiency among responsive and responsible offerors. The intended term of this contract is 5 years, subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the total aggregate amount expected to be expended for the term of the contract, $5,500,000.

**Extensions and/or Additional Funding Requests:**

**Information Technology (IT)**

**Staffing - SAP**

At their meeting of December 17, 2013, the Trustees approved the award of contracts to **Bayforce Technology Solutions, Inc. (4600002753), Carlyle Consulting Services, Inc. (4600002751), Eclaro International, Inc. (4600003182), Expiris US, Inc. (Q13-5484JR; PO# TBA), Grom Associates,
Inc. (4600002890), Mitchell Martin, Inc. (4600002752), Sage Group Consulting, Inc. (4600002956), Sapta Global, Inc., dba Zen4IT (4600002764), Sierra Infosys, Inc. (Q13-5484JR; PO# TBA), and Unique Comp, Inc. (4600002979) to provide SAP contractor resources in support of the NYPA Enterprise Resource Planning (ERP) system. The ERP system was implemented for core NYPA business functions including but not limited to Human Resources, Finance, Budgeting, Accounts Payable, Accounts Receivable, and Customer Billing. Upon request, the Temporary Programming Personnel award allows ten pre-approved vendors to compete for NYPA contractor requirements by presenting qualified resumes for review. The original award, which was competitively bid, was for a term of up to two years in the aggregate amount of $3 million with an original projected end date of December 31, 2016. Cumulative additional funding totaling $4.7 million was subsequently authorized in accordance with the EAPs, thereby increasing the aggregate total contract value to $7.7 million. Additional time was also approved through December 31, 2017. As of October 10, 2017 NYPA has commitments utilizing $5.9 million in aggregate. Current approved funding has been expended at an accelerated rate based on certain ongoing projects, such as SAP Life Extension Maintenance (LEM), ongoing Ariba implementation, SAP Net Metering-Billing, alignment with core business functions and initiatives and ongoing support for core maintenance and enhancement initiatives. Based on this need as identified by IT staff, the Trustees are requested to increase the aggregate contract amount from $7.7 million to $8.7 million and extend the service agreements from four years to five years (through December 31, 2018) for existing and potential future agreements. It should also be noted that four of these firms are New York State certified M/WBEs: Eclaro International, Inc., Sapta Global, Inc., dba Zen4IT, Sierra Infosys, Inc., and Unique Comp, Inc.

Temporary Staffing

At their meeting of July 30, 2015, the Trustees approved the award of contracts to 22nd Century Technologies, Inc. (4600003024), Artech Information Systems LLC (4600003026), Carlyle Consulting Services, Inc. (4600003027), ClarusTec, Inc. (4600003028), Currier, Mccable and Associates, Inc. dba CMA Consulting Services (4600003039), Donnelly & Moore Inc. (4600003029), Eclaro International, Inc. (4600003030), Garnet River LLC (4600003031), Indotronix International Corp. (4600003032), Mindlance, Inc. (4600003033), Neotecra, Inc. (4600003034), Software Guidance & Assistance, Inc. (4600003035), System Edge (USA) LLC (4600003038), Trigyn Technologies, Inc. (4600003036), and Unique Comp, Inc. (4600003037) to provide for IT temporary staffing services. The original award, which was competitively bid, was for a term of up to three years in the aggregate amount of $20 million with an original projected end date of July 31, 2018. As of October 10, 2017 NYPA has commitments utilizing $18.5 million in aggregate. Current approved funding has been expended at an accelerated rate based on certain ongoing projects, such as the transition to a digital utility, better alignment with NYPA’s business units and strategic initiatives, evolving cyber initiatives and response, continuing Canal Corporation support efforts, and ongoing delivery support for initiatives such as Knowledge Management, Workforce Planning, AGILE labs, SharePoint Collaboration Solutions, Enterprise Mobile implementations, and many core IT infrastructure upgrades, as well as the ongoing business applications portfolio. Based on this need as identified by IT staff, the Trustees are requested to increase the aggregate contract amount from $20 million to $28 million and extend the service agreements from three years to four years (through July 31, 2019.) It should be noted that six of these firms are New York State certified M/WBEs: 22nd Century Technologies, Inc., Currier, Mccable and Associates, Inc. dba CMA Consulting Services, Donnelly & Moore Inc., Eclaro International, Inc., System Edge (USA) LLC, and Unique Comp, Inc.

Utility Operations

Southeast New York (SENY) - Construction

The construction contract with Below Grade Level Asset Services, LLC (‘BGL’) (4500276668) provides for work associated with the Cathodic Protection Services Project at the Authority’s 500MW Combined Cycle Power Plant in Astoria, NY. The current cathodic protection system at the 500MW Combined Cycle Power Plant consists of fourteen impressed systems that are currently being installed to provide corrosion protection to the underground piping. Based upon annual assessment testing of the existing system, the majority of piping protection systems are not operating satisfactorily and do not
provide adequate corrosion protection of the critical piping systems. This contract became effective on November 11, 2016 for a term of up to one year with a total approved amount of $1,490,100. Subsequent change orders addressed added costs due to unforeseen site conditions and harder than anticipated soil conditions, increasing the contract value to $1,774,513. The contractor is continuing to face difficulties in trenching and excavating the soil for the installation of the cathodic protection system, and it is taking longer than anticipated. The continuation of work has proceeded pending trustee approval, which is hereby requested. Additionally, the Trustees are requested to approve extension of the contract for 1 year, through November 9, 2018. No additional funds are requested.

**St. Lawrence: Robert Moses State Park – Facilities**

At their meeting of July 30, 2015, the Trustees approved the award of a competitively bid personal services contract to *Bernier, Carr & Associates Engineers, Architects and Land Surveyors, PC (4500261111)* to provide for detailed architectural, engineering and design services for the construction of new facilities for the Office of Parks, Recreation and Historic Preservation (‘OPRHP’) at Robert Moses State Park (‘RMSP’) in Massena, NY. This contract became effective on July 14, 2015 for a period of up to 30 months in the amount of $364,375. Subsequent approval was provided on August 12, 2017 for an additional $135,540 for redesign work in accordance with the EAPs. The total current value of this contract is $499,915. Due to the suspension of work in 2017 and redesign delays, the Trustees are requested to approve a 30 month extension, through June 30, 2020, in order to allow sufficient time to complete the original scope of work. Additionally, the Trustees are requested to approve additional funding in the amount of $75,000 for potential unforeseen costs associated with the additional design work, increasing the approved contract value to $574,915. These funds will only be released as necessary.

**Maintenance & Repair – East Delaware and Neversink hydroelectric facilities**

At their meeting of September 26, 2006, the Trustees approved the award to *NAES Corporation (formerly North American Energy Services) (4500133069)* to provide the Operation and Maintenance (‘O&M’) of the New York City Department of Environmental Protection (‘NYCDEP’) East Delaware and Neversink hydroelectric facilities (‘Facilities’). The original award, which was competitively bid, became effective as of November 29, 2006 for an initial term of 19 months with an option to extend for an additional two years. There are provisions in the contract to extend the contract period for additional periods of time to a maximum of nine additional years. Several incremental funding increases, as well as contract term extensions, were subsequently authorized by the Trustees, most recently at their meeting of July 26, 2016, when the contract term was extended to December 31, 2017, and the approved compensation limit was increased to $24,911,115 for the continuation of O&M services at the Grahamsville Small Hydropower Plants. At the request of the NYCDEP and since the need for such services is ongoing and the contract provides the aforementioned option for additional extension(s), the Trustees are requested to ratify and approve extension of the subject contract for 6 months, through June 30, 2018. The Trustees are also requested to approve additional funding in the amount of $866,991, for a total contract amount of $25,778,106.

**FISCAL INFORMATION**

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2017 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project’s Capital Expenditure Authorization Request, as applicable.
RECOMMENDATION

The Senior Vice President – Human Resources and Enterprise Shared Services; the Senior Vice President – Operations Support Services and Chief Engineer; the Senior Vice President – Power Supply; the Vice President Energy Services Implementation; the Vice President – Project Management; the Vice President – Enterprise Shared Services; the Vice President – Technical Compliance; the Vice President – Environmental, Health and Safety; the Regional Manager – Northern New York; the Regional Manager – Central New York and the Regional Manager – Southeastern New York; the Regional Manager – Western New York; and the Senior Director, Information Technology, Business Transformation recommend that the Trustees approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit ‘4d i-A’ and the extension and/or funding of the procurement (services) contracts listed in Exhibit ‘4d i-B,’ for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

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 procurement services contracts set forth in Exhibit “4d i-A,” attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the contracts listed in Exhibit “4d i-B,” attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
ii. Procurement (Services) Contract - Communications Backbone Program - Northern New York Dark Fiber Project - Contract Award and Lease Agreement

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to ratify the award of an Engineer, Procure and Construction contract comprised of a one-year construction term, along with two Indefeasible Right of Use (‘IRU’) lease terms of 10 and 20 years, respectively, for the use of two separate branches of the dark fiber in the aggregate amount of up to $2,562,233 to the Development Authority of the North Country (‘DANC’) of Watertown, NY for the installation and lease of dark fiber to support the Authority’s Communications Backbone Program. Interim approval in the amount of $1,000,000 for this contract was previously approved by the Chief Operating Officer in November 2017, to allow DANC to commence engineering, permitting and construction for the fiber buildout.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval of procurement contracts involving services to be rendered for a period in excess of one year.

The objective of the Communications Backbone Program, which is part of the Smart Generation & Transmission (‘SG&T’) Initiative, is to deploy a robust, secure, and scalable communications network to:

- Replace the Authority’s legacy point-to-point circuits that will inevitably need to be retired;
- Manage a host of intelligent end-point devices deployed through the SG&T initiative and the increased data flows from these devices and assets; and
- Provide a backbone network to enable the capabilities of the Asset Health Monitoring & Diagnostics Center, the Integrated Smart Operating Center, the Emergency Energy Control Center, and the additional objectives associated with the Authority’s Strategic Vision.

The scope of the Communications Backbone Program includes the installation of new fiber Optical Ground Wire (‘OPGW’) on the Authority’s existing transmission lines, however, the Authority is required to lease dark fiber from various agencies, and install a new digital microwave system for the entire scope-of-work. The leased dark fiber under this contract will facilitate communication amongst Clark Energy Center, St. Lawrence and Plattsburgh stations. The proposed work under this contract will include, but not be limited to, engineering, procurement and construction of lateral build outs from DANC’s existing infrastructure to the Authority’s property and IRU lease terms of 10 and 20 years for the use of two separate branches of the dark fiber.

Construction of the dark fiber connections will not begin until after NYPA has completed its State Environmental Quality Review Act process.

DISCUSSION

In response to an advertisement issued on August 17, 2017 in the New York State Contract Reporter, one bid was received on September 22, 2017.
The proposal was reviewed by an Evaluation Committee consisting of Authority staff from Engineering, Strategic Supply Management, Information Technology, Strategic Operations, and Project Management. The bid was also evaluated by the Engineer of Record.

The proposal was evaluated for price, proposal completeness, schedule, warranty and exceptions taken to the Bidding Documents, experience, quality control, safety and environmental plan. DANC’s proposal was found to be compliant with the requirements of the technical specifications, drawings, and bid documents. The company demonstrated an ability to meet the Authority’s schedule, is the lowest qualified bidder, and have successfully completed projects of similar scope for the Authority.

FISCAL INFORMATION

Payments for construction and the 20-year lease term will be made from the Authority’s Capital Fund and payment for the 10-year lease term will be made from the Authority’s O&M Fund.

A Capital Expenditure Authorization Request in the amount of $19,784,390 for the Communications Backbone Program was previous approved by the Trustees in March 2017.

RECOMMENDATION

The Senior Vice President – Operations Support Services, the Vice President – Strategic Operations, the Vice President – Project Management, the Vice President – Strategic Supply Management, and the Project Manager recommend that the Trustees ratify the award of the Engineer, Procure and Construct contract, with a one-year construction term and Indefeasible Right of Use (‘IRU’) terms of 10 and 20 years, respectively, for the lease of two separate branches of the dark fiber, to the Development Authority of the North Country in the amount of $2,562,233 for the installation of dark fiber as part of the Communications Backbone Program.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

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

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award an Engineer, Procure and Construct contract, with a one-year term to construct the dark fiber connection, along with two Indefeasible Right of Use (‘IRU’) terms of 10 and 20 years, respectively, applicable to two separate branches of the dark fiber, to the Development Authority of the North Country in the amount of $2,562,233 to support the Communications Backbone Program, as recommended in the foregoing report of the President and Chief Executive Officer;

**Contractor**  
Development Authority of the North Country (DANC)

**Contract Approval**  
$2,562,233

Q17-6266JT
AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
iii. Long-term Operations Agreement for the Discover Niagara Shuttle Service

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to approve a two-year operations Agreement and funding in the amount of $500,000 with Niagara Falls National Heritage Area, Inc. (‘NFNHAI’) to operate the Discover Niagara Shuttle Service.

Following a successful two-year pilot program, the shuttle service is connecting visitors to multiple destinations along the Niagara River/Niagara Gorge corridor, including, but not limited to, the NYPA Power Vista, Fort Niagara, Village of Lewiston, Niagara University, Devil’s Hole State Park, Whirlpool State Park, Niagara Falls Train Station/Underground Railroad Interpretive Center, Aquarium of Niagara, and Niagara Falls State Park. This two-year agreement will ensure continued operation of this shuttle service.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval of procurement contracts involving services to be rendered for a period in excess of one year.

The Authority’s Expenditure Authorization Procedures require the Trustees’ approval for the award of non-personal services contracts in excess of $1 million if low bidder, or $500,000 if sole-source or non-low bidder.

Niagara Falls is a globally-recognized tourist destination, attracting millions of visitors each year, and, in addition to the waterfalls, includes a number of sites related to recreational, historic, cultural, educational, and technological resources along the Niagara River/Niagara Gorge corridor from Youngstown, NY to Niagara Falls, NY.

A number of studies have noted the importance of a reliable and efficient tourist-oriented people mover system to enable visitors to best explore the full pallet of resources along the Niagara River/Niagara Gorge corridor, most recently, in the approved management plan for the federally-designated Niagara Falls National Heritage Area.

Land use along the Niagara River/Niagara Gorge corridor does not include any dense concentrations of population or employment centers that would warrant conventional daily transit service, therefore, significant areas in the Niagara River/Niagara Gorge corridor are not serviced by public bus routes -- particularly during summer weekend periods when tourism demands peak -- and conventional funding criteria for expanding public bus routes does not support the addition of a tourist-oriented people mover system.

The New York Power Authority (‘NYPA’) completed a major expansion and upgrade of the visitor and interpretative functions of its Power Vista facility at the Niagara Power Project (‘Project’) in Lewiston, NY. The expansion and upgrade contemplated a shuttle service connection to and from Niagara Falls State Park, the most-visited individual attraction along the Niagara River/Niagara Gorge corridor.

The Trustees were requested and approved $500,000 in funding for a two-year shuttle service pilot program in 2015. NFNHAI, New York State Parks and NYPA are now working with various public, institutional, and private attraction and hospitality partners in defining an economically sustainable, long-term business model for a high-quality, affordable shuttle service along the Niagara River/Niagara Gorge corridor that will enhance the visitor experience by connecting visitors to heritage site destinations,
extending the length of stay and increasing heritage tourism. Continued operational funding from NYPA is critical to the effort.

**DISCUSSION**

In June of 2016, the new Power Vista visitors center opened to rave reviews and attendance increased as the Niagara Visitors Center became one of the ‘must do’ tourist attractions in the region.

A recent economic impact study by Tripp Umbach commissioned by NFNHAI found that the Discover Niagara Shuttle generated $35 million in economic impact to Niagara County in 2016 and is projected to generate $70.2 million in economic impact to Niagara County in 2020. A 2017 ridership study showed that 15% of the visitors riding the shuttle decided to extend their stay in Niagara County because of the shuttle and visit the attractions. Of the shuttle riders surveyed, 36.5% said they used the shuttle to visit the Power Vista Visitors Center.

**FISCAL INFORMATION**

Payment associated with this contract will be made from the Authority’s Operating Fund. NYPA will pay the NFNHAI $250,000 per year in two installments. The total funding for the agreement is $500,000.00

**RECOMMENDATION**

The Senior Vice President - Public and Regulatory Affairs and the Vice President – Strategic Supply Management, recommend that the Trustees approve the two-year contract with Niagara Falls National Heritage Area, Inc. in the amount of $500,000 to operate the Discover Niagara Shuttle Service.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

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 and the Authority’s Expenditure Authorization Procedures, a two-year contract for the operations of shuttle service and support expenditures up to the amount of $500,000 are hereby approved for the Niagara Falls National Heritage Area’s Discover Niagara Shuttle, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.**
5. DISCUSSION AGENDA:

a. Strategic Initiatives

   i. President and Chief Executive Officer’s Report

   President Quiniones provided an update on the Authority’s integrated Smart Operations Center (“iSOC”). He said NYPA’s vision is to become an end-to-end digital utility, leveraging connectivity, big data and analytics to drive actionable business insights that will better enable the Authority to serve its customers, employees and other key stakeholders. Since most of the efforts to advance NYPA’s digital utility vision are crosscutting among business units, there is a need for effective and efficient project management of its digitization efforts; to that end, a digital transformation office will be created to implement NYPA’s end-to-end digitization plan effectively. President Quiniones said NYPA has begun its digitization process with the unveiling of its iSOC and two other digital hubs, the New York Energy Manager (“NYEM”) and Advanced Grid Innovation Lab for Energy (“AGILE”). He ended by saying that the Power Authority is looking forward to being a leader in the utility industry with this forward-looking, cutting-edge technology.

   Chairman Koelmel said on behalf of the Board he wanted to thank President Quiniones and the team for what has been accomplished and, more importantly, the vision and the potential to realize the opportunities ahead. The Board looks forward to future outcomes and even more energy from the use of this digital technology.
b. Risk Management:

i. Chief Risk Officer’s Report

Mr. Soubhagya Parija, Chief Risk Officer, provided highlights of the Risk Management activities to the Board. (Exhibit “5b i-A”).

New York Canal Corporation Risk Assessment

Risk Management recently completed Canal Corporation’s (“Canal”) risk assessment. The team has been working very closely with the Canal team through the pre-and post-integration phases, having discussions with both internal and external subject matter experts. In addition, Risk Management engaged the insurance underwriters and brokers to review Canal’s assets and have also validated the findings with Canal’s management team.

Canal Corporation’s Top Enterprise Risks

Following a formal risk assessment, Risk Management identified the following as Canal’s top Enterprise Risks:

• Attract & Sustain Qualified Workforce
• Physical and Cyber Security
• Public & Workforce Health & Safety
• Critical Infrastructure Failure
• Catastrophic Events

Next steps for Canal Corporation:

Risk Management conducts monthly risk meetings with a dedicated Risk Management staff and they will continue to be engaged in the process. Some of the key projects and activities Risk Management staff are in the process of doing include:

- Reimagine Canals initiative
- Manage stakeholder risk using reputation risk format
- Business resiliency stress testing
- Appropriately staffed expertise
- Multiple year preventive maintenance and CapEx plan
- Self-insurance of Workers’ Compensation Program
- Removal of obsolete equipment
- Balance recreational aspects with sound business logic
NYPA Risk Management Key Projects and Activities:

- **Business Resiliency Stress Testing** - Given NYPA’s efforts to digitize, Risk Management staff needs to understand how resilient it is and what could be potential gaps in the future. The goal is to make NYPA more resilient so that it can take appropriate risks.

- **Business Continuity Plans** - Risk Management is planning to revamp all of the business continuity plans by the end of this year.

- **Owner Controlled Insurance Program** - Over the last three years Risk Management have brought down the insurance premium costs by close to $1 million while not sacrificing the Authority’s coverages.

  The Canal Corporation Worker’s Compensation Program will save $3 - $9 million over the next five years. The Program is expected to save the Authority about $600,000 every year.
c. Operations & Finance:
   i. Utility Operations Report

   Mr. Joseph Kessler, Chief Operations Officer, provided an update of the Utility Operations’ activities to the Board. (Exhibit 5c i-A)

Performance Measures

Generation Market Readiness
- Generation Market Readiness factor for the month of October was at 99.91%. This is above the target of 99.40%.

Transmission reliability
- Transmission reliability factor for the month of June was 96.41%. This is above the target of 95.17%.

Environmental Incidents
- Year-to-date, there were 14 incidents. The Annual Target is not to exceed 27 incidents.

Safety
DART (Days Away, Restricted or Transferred) is the Authority’s safety metrics.
- The year-to-date DART Rate is 0.95. The target is 0.78.

Puerto Rico Recovery Update
- NYPA continues its active participation in relief efforts related to Hurricane Maria by working closely with NYS Investor-Owned Utilities and NYS to coordinate mutual assistance in this effort;
- NYPA has currently deployed 27 employees and 37 utility vehicles/equipment and will be transferring some of its staff to the transmission inspection and repairs crews;

NERC CIP Regulatory Audit
- The Audit team visited the St. Lawrence Power Project on November 15th; NYPA received positive feedback from the Audit team;
- The audit will continue at Clark Energy Center from December 11th through the 15th;
- NYPA self-reported three issues to the audit team.
The President and Chief Executive Officer submitted the following report:

"SUMMARY"

The Trustees are requested to approve the award of five-year personal services contracts for On-Call Program/Project Management Services in the aggregate not-to-exceed amount of $25 million to three firms: AECOM USA Inc. of New York, NY; CHA Consulting Inc. of Albany, NY; and K&L Engineering Consulting, P.C. of White Plains, NY.

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 Authority’s Expenditure Authorization Procedures (‘EAPs’) require the Trustees’ approval for the award of personal services contracts in excess of $1 million.

With the growing number of infrastructure modernization, strategic initiative and energy efficiency projects, the Authority has a need to retain qualified program/project management firms to support these major projects. The following are examples of such projects:

1. The Transmission Life Extension and Modernization Program is a multiyear, multi-layer program that involves the upgrade of the Authority’s state-wide transmission system to maintain availability, reliability and to ensure regulatory compliance.

2. The Moses-Adirondack Smart Path Reliability Project is the rebuild of the Authority’s Moses-Adirondack transmission lines. These lines are essential for system reliability and system restoration. This project will remove the old wooden H-frame structures and rebuild with modern steel monopole structures. Smart Path begins in Massena NY and ends in Croghan NY, a distance of approximately 78 miles.

3. The Life Extension and Modernization Program at the Lewiston Pump Generating Plant is a multiyear program to replace and/or rehabilitate aging generation equipment, increase pump and turbine efficiency, increase pump flows, increase turbine output and increase smooth operating range of the pump turbines.

4. The Energy Services Program is available to the Authority’s customers statewide. Types of projects may include HVAC, lighting, and central plant upgrades at universities, waste water treatment facilities, school districts, and correctional facilities. In addition, the Authority will look to evaluate new types of programs and technologies to assist the Authority’s customers meet their energy goals.

Based on the planned portfolio of projects sought to be designed, a $25 million authorization for a five-year term is being requested.

DISCUSSION

In response to the Authority’s request for proposal advertised in the New York State Contract Reporter on October 03, 2017 (RFQ Q17-6298JGM) fourteen firms submitted proposals on the bid due date of October 25, 2017.

The scope-of-work focuses on identifying vendor experience surrounding utility, generation and transmission project and program management, in conjunction with managing experience in energy
efficiency projects. Individual tasks will be assigned by issuance of a Purchase Order Release against the established Master Service Agreement.

The RFP emphasized the following evaluation criteria:

1. Competitive Pricing
2. Ability to meet M/WBE Requirements
3. Exceptions and Deviations
4. Previous Experience with the Authority
5. Safety Record
6. Resumes
7. Relevant Project Experience

The three (3) firms selected for award recommendation have the requisite experience in the power and utility industries; successful track records implementing projects of various dollar value, duration and complexity; experience working with City, State or Government agencies; and current or past successful track record working with the Authority.

FISCAL INFORMATION

Services under these contracts will be provided on an "as-needed" basis and/or availability, using the hourly rates. Payments associated with this project will be made from the Authority’s Capital or Operations Fund, as appropriate.

RECOMMENDATION

The Senior Vice President – Operations Support Services and Chief Engineer, Vice President – Project Management, Vice President – Energy Efficiency, Vice President – Strategic Supply Management, Vice President – Strategic Operations, and Project Manager recommend that the Trustees approve awards of five-year contracts for the On-Call Program/Project Management Services in the aggregate not-to-exceed amount of $25 million to AECOM USA Inc., CHA Consulting Inc. and K&L Engineering Consulting, P.C.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

Upon motion made by Trustee Kress and seconded by Trustee Trainor, 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 and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award five-year contracts in the aggregate not-to-exceed amount of $25 million to AECOM USA Inc. of New York, NY, CHA Consulting, Inc. of Albany, NY, and K&L Engineering Consulting, P.C. of White Plains, NY as recommended in the foregoing report of the President and Chief Executive Officer;
AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.

Q17-6298JGM
iii. Procurement (Services) Contract - Transmission Life Extension and Modernization Program – Power Circuit Breaker Replacement Project - Contract Award

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to ratify the award of a ten-year contract to ABB Inc. (‘ABB’) of Mount Pleasant, PA, in the amount of $14.2 million, to furnish and deliver nine 765 kV, twenty-four 115 kV and two 230 kV dead tank circuit breakers for replacement at Massena, Plattsburgh, Saranac, and Willis substations. Interim approval in the amount of $950,000 for this contract was approved by the Chief Operating Officer in September 2017, to take advantage of a negotiated discount provided by ABB.

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 in excess of one year.

The Authority’s Expenditure Authorization Procedures require the Trustees’ approval for the award of equipment contracts in excess of $3,000,000.

The Transmission Life Extension and Modernization Program (‘TLEM Program’) is a multiyear program that will upgrade the Authority’s existing transmission system to maintain availability, increase reliability, and ensure regulatory compliance. The TLEM Program encompasses the Authority’s transmission assets in the Central, Northern, and Western regions and has been divided into several projects.

The power circuit breakers at the remote substations in the northern region, including Massena, Plattsburgh, Saranac, and Willis were installed in the 1970s. Based on assessments, analysis and expected service life of similar equipment, the breakers have reached the end of their useful life and are being replaced under the TLEM Program.

DISCUSSION

To take advantage of cost savings, the contract with ABB (Q17-6180SR; PO #4500290080) became effective on September 29, 2017, for the initial interim award amount of $950,000, subject to Trustee approval, in accordance with the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures. Under the terms of the contract, ABB will furnish and deliver nine 765 kV, twenty-four 115 kV and two 230 kV dead tank circuit breakers.

Bid documents were developed by staff and were accessible through an (SAP) ARIBA Event. The Request for Quotations was advertised in the New York State Contract Reporter and noticed on the Authority’s Strategic Supply Management (Procurement) website. Nine firms were invited or requested to participate in the bidding process. Four proposals were received electronically via ARIBA and were evaluated, as further set forth in the Award Recommendation documents.

ABB’s proposal meets the technical and commercial bid requirements and its proposal was the lowest-priced among the proposals received. The intended term of this contract is ten years. Approval is also requested for the total amount expected to be expended for the term of the contract in the amount of $14,221,036.93.
FISCAL INFORMATION

Payment associated with this contract will be made from the Authority’s Capital Fund.

RECOMMENDATION

The Senior Vice President – Operations Support Services, the Vice President – Project Management, the Vice President – Strategic Supply Management, and the Project Manager recommend that the Trustees ratify the award of a ten-year contract to ABB Inc. (‘ABB’) of Mount Pleasant, PA, in the amount of $14.2 million, to furnish and deliver nine 765 kV, twenty-four 115 kV and two 230 kV dead tank circuit breakers for replacement at Massena, Plattsburgh, Saranac, and Willis substations.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

Upon motion made by Vice Chair Nicandri and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award a ten-year contract to ABB Inc. in the amount of $14,221,036.93, to provide nine 765 kV, twenty-four 115 kV and two 230 kV dead tank circuit breakers to support the Transmission Life Extension and Modernization Program, as recommended in the foregoing report of the President and Chief Executive Officer;

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Inc.</td>
<td>$14,221,036.93</td>
</tr>
<tr>
<td>Mount Pleasant, PA</td>
<td></td>
</tr>
<tr>
<td>PO No. 4500260080</td>
<td></td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
iv. Niagara Power Project - Lewiston Pump Generating Plant 
Life Extension and Modernization Program - Increase in 
Expenditure Authorization and Release of Remaining Funding 

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to approve the release of capital expenditures in the amount of $160 million to complete the Niagara Power Project - Lewiston Pump Generating Plant (‘LPGP’) Life Extension and Modernization Program (‘LEM Program’). The Trustees previously authorized $300 million of this total $460 million Program.

In February 2017, the sixth unit overhaul, was completed, which represented the completion of the halfway point of the LPGP LEM Program. This current $160 million, which is part of the original Capital Expenditure Authorization Request, will be utilized to continue with construction activities and fund releases for long-lead time equipment for the remaining unit overhauls.

The total estimated cost of the LPGP LEM Program remains unchanged at $460 million. As of December 2017, approximately $250 million has been expended.

BACKGROUND

In accordance with the Authority’s Capital Planning and Budgeting Procedures, capital expenditure authorizations in excess of $3 million require the Trustees’ approval.

At their June 29, 2010 meeting, the Trustees approved the Capital Expenditure Authorization Request (‘CEAR’) for the LPGP LEM Program, estimated at $460 million, to renew the generation assets of LPGP, and were advised that the LEM Program would commence and require about ten years to complete. At the time of approval, the Trustees also authorized capital expenditures in the amount of $131 million to proceed with major Contract awards. Subsequently, in November 2012 and July 2014, the Trustees approved increases in capital expenditures to $253 million and the current authorized amount of $300 million, respectively. Finally, in November 2016, the Trustees were advised that due to an extended stop work order for the motor-generator vendor, the overall LPGP LEM Program schedule would be extended from 2020 to 2022.

DISCUSSION

The objective of the LPGP LEM Program is to replace and/or rehabilitate aging generation equipment, most of which dates to 1961. A secondary objective is to increase pump and turbine efficiency, increase pump flows, increase turbine output and increase the smooth operating range of the pump turbines. These improvements to the pump turbine design allow for improved operating efficiency, increases in the amount of production re-timed to peak demand periods, and an increase in the peaking capacity of the overall Niagara Power Project.

In February 2017, the halfway point of the LPGP LEM Program was achieved upon completion of the sixth unit overhaul. Subsequently, the seventh unit was completed on October 6, 2017 and the outage for the eighth unit commenced on October 16, 2017. The completion of the overall LPGP LEM Program is still scheduled for 2022.

The total value of the contracts released to date, along with projected costs associated with Engineering, Project Management, Plant Support, unit auxiliary equipment, and other direct and indirect expenses through the end of 2017, amounts to approximately $300 million. In order to allow for the orderly execution of this Program as planned and to complete the overhaul of the remaining units, it is
necessary at this time, to approve authorization of the remaining $160 million. The current request includes the following:

<table>
<thead>
<tr>
<th></th>
<th>Current Total Estimate ($000)</th>
<th>Current Request ($000)</th>
<th>Balance to be Authorized ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Engineering/Licensing</td>
<td>1,195</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Engineering and Design</td>
<td>12,783</td>
<td>900</td>
<td>0</td>
</tr>
<tr>
<td>Procurement/Materials</td>
<td>153,813</td>
<td>47,960</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>253,799</td>
<td>101,528</td>
<td>0</td>
</tr>
<tr>
<td>Authority Direct/Indirect</td>
<td>38,410</td>
<td>9,612</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$460,000</strong></td>
<td><strong>$160,000</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

Future year funding will be included in the Capital Budget requests for those years.

**FISCAL INFORMATION**

Payment associated with this project will be made from the Authority’s Capital Fund.

**RECOMMENDATION**

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Project Management, the Vice President – Engineering, the Regional Manager of Western NY, and the Project Manager recommend that the Trustees authorize the remaining capital expenditures in the amount of $160 million to complete the Life Extension and Modernization Program at the Niagara Power Project - Lewiston Pump Generating Plant.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

Upon motion made by Vice Chair Nicandri and seconded by Trustee Trainor, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That pursuant to the Authority’s Capital Planning and Budgeting Procedures, capital expenditures in the amount of $160 million, are hereby approved to complete the Niagara Power Project’s Lewiston Pump Generating Plant - Life Extension and Modernization Program, as recommended in the foregoing report of the President and Chief Executive Officer;**
AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
v. Board Resolution - Utility Operations’ Puerto Rico Recovery Efforts

Chairman Koelmel said the Board wanted to recognize the great work that Mr. Kessler and the Operations team has done for the benefit of the residents of Puerto Rico. He stated that the Board is aware that there is much more work to be done; however, the members realize this is much more than a recovery and restoration effort, it is a real humanitarian effort, and they are incredibly proud of Mr. Kessler’s and the team’s contributions to that effort.

President Quiniones added that the resolution is to recognize the efforts of NYPA’s Operations team and the teams from other New York utilities that are a part of the New York delegation to Puerto Rico.

Upon motion made by Vice Chair Nicandri and seconded by Trustee Kress the resolution for the Utility Operations team’s efforts towards the rebuilding of Puerto Rico after the devastations caused by hurricanes Irma and Maria was unanimously adopted. (Exhibit “5c v-A”)
vi. **Commercial Operations Report**

Ms. Jill Anderson, Chief Commercial Officer, provided an update of Commercial Operations’ year-to-date activities to the Trustees (Exhibit “5c vi-A”).

**WHOLESALE**

- **Customer usage**
  Customer usage for the reporting period is close to forecast.

- **Generation**
  Generation is slightly higher than the forecast.

- **Electric and Fuel Prices**
  As of October, electric prices are down slightly, but also converging with the forecast and largely due to fuel prices. The Authority is continuing to see a similar trend for year-end.

**CUSTOMER**

At the end of October, the Authority was trending lower than projected for its overall revenue, but expects to come in on target for the end of 2017. Additionally, the Authority continues to trend slightly lower on expenses, therefore, the overall numbers for the customer business will be just slightly better than budget. The Authority also tracks how much it closes in new contracts because it is an indicator of how the business is going to do in 2018. The Authority will be ahead of its target of $280 million in customer contracts, slightly exceeding the 2017 target.

**INFORMATION TECHNOLOGY**

The Authority achieved a big milestone with the opening of its integrated Smart Operations Center. Information Technology is also moving forward on many of the other Strategic initiatives, more recently, the move of its Help Desk to a 24/7 model. This is reflective of the continued reliance and dependence of the entire business organization on the Technology department.
vii. Procurement (Services) Contracts -
Energy Efficiency Program - Authorization
to Award Energy Services Performance
Contracts to Support the Program

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to authorize the award of contracts (as described below) to ten (10) firms to provide Energy Savings Performance Contracting (‘ESPC’) services, including an investment grade audit (‘IGA’) and implementation services of energy and renewable technologies, plus post-construction services of measurement and verification, operations and maintenance, and an energy savings performance guarantee. The aggregate total for all ten contracts is $200 million. Since the contracts will be used to support both Governmental Customers and Statewide Energy Efficiency Programs, funding will be allocated from the previously approved program funding which amounts to $2.93 billion and $1.35 billion, respectively. These funds associated with the programs will generally be recovered directly from program participants except for certain types of grants. The term of each contract will be up to five years, with the option of two (2), one-year extensions.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustee approval of procurement contracts involving services to be rendered for a period in excess of one year. In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personnel services or equipment contracts in excess of $3 million require the Trustees’ approval.

To meet the goal of increasing energy efficiency set forth in Executive Order 88, Governor Andrew Cuomo launched ‘Build Smart NY,’ emphasizing cost-effective improvements for energy savings. Build Smart NY also supports the Governor’s economic development goals to accelerate energy efficient projects that will create jobs and improve infrastructure within the State. The addition of new contracts will enhance the Authority’s Energy Efficiency Programs and further support the Governor’s Executive Order 88 (‘EO88’) initiatives.

DISCUSSION

The Energy Efficiency Program provides energy efficiency and renewable energy services to customers meeting the eligibility criteria under the Public Authorities Law, Section 1005. Energy efficiency services provided through the Energy Efficiency Program include investment grade audits (‘IGA’), design, engineering, and installation services related to a wide variety of energy technologies and renewables. The Authority is expanding its offerings to program participants by offering flexible service delivery models, including Energy Services Performance Contracting.

Although the RFP was seeking qualifications for the entire state, bidders had the options to indicate their regional preferences. The regions are as follows:

- NYC and Westchester County
- Long Island
- Northern New York
- Central New York
- Western New York
On July 27, 2017 the Authority advertised a Request for Proposals (‘RFP’) (Inquiry Q17-6250HM) in the New York State Contract Reporter, posted the solicitation on the Authority’s Strategic Supply Management (‘SSM’) website, and issued the solicitation via the ARIBA platform of SAP, soliciting firms interested in providing ESPC services in all areas of New York State. ESPC services include investment grade audit, design, engineering, procurement and installation services of energy and renewable technologies, plus post construction services of measurement and verification, operations and maintenance support services and an Energy Savings Performance Guarantee agreement with the Authority’s Customer.

Fifty seven (57) firms / entities were invited to participate in the ARIBA Event. In response to the advertisement and invitation to bid, one hundred and four (104) firms viewed the event notice on the Authority’s Strategic Supply Management (‘SSM’) website. On August 24, 2017, thirty (30) firms submitted Bids/Qualification Packages via the ARIBA platform.

The bids were evaluated based on a number of technical criteria and commercial requirements.

TECHNICAL EVALUATION

An evaluation committee consisting of Energy Efficiency, Customer Business Development, and SSM personnel was established to evaluate all the proposals. Three (3) proposals were deemed incomplete and were not evaluated. The remaining 27 proposals were evaluated by the committee with the following criteria:

1. Proposal Content and Quality of Submittal
2. Overall Understanding of the Scope of Work Required
3. Project Experience
4. Management and Staffing
5. Results of Interview

The Evaluation Committee reviewed and scored the proposals based on these criteria in order to determine the most qualified bidders. The top-scored 22 firms were interviewed by the committee to gain a greater understanding of the qualifications and experience of the firms.

It was determined that the ten (10) most qualified firms are sufficient to deliver the anticipated volume of ESPC projects of varying project sizes.

FISCAL INFORMATION

All Authority costs, including Authority overheads and the costs of advancing funds, but excluding the POCR and certain types of grants, will be recovered.

RECOMMENDATION

The Executive Vice President - Energy Solutions and Commercial Operations, the Vice President of Energy Efficiency recommend that the ten (10) contract awards be approved in the aggregate amount of $200 million for a term of five years, with the option of two (2) one-year extensions to the following firms: AECOM USA, Inc., Ameresco, Inc., Aramark Engineering Solutions, Energy Systems Group, LLC, Honeywell, Inc., Johnson Controls, Inc., NORESCO, LLC, Siemens Building Technologies, Wendel Energy Services, LLC, and Willdan Energy Solutions.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”
Upon motion made by Trustee Trainor and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees authorize the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President - Energy Solutions and Commercial Operations, the Vice President of Energy Efficiency, and or such officer designated by the President and Chief Executive Officer, to execute agreements and other documents between the Authority, the Governmental Customers Energy Efficiency Program (“GCEEP”) and the Statewide EE Program (“Statewide EEP”) participants and to execute agreements and other documents with contractors, such agreements having such terms and conditions as the executing officer may approve, subject to the approval of the form thereof by the Executive President and General Counsel, to facilitate the implementation of the GCEEP and Statewide EEP; and be it further

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, that an aggregate $200 million be allocated among the two programs, GCEEP and Statewide EEP, to perform Energy Savings Performance Contracting (“ESPC”) services which includes investment grade audit (“IGA”) and implementation services of energy and renewable technologies, plus post construction services of measurement and verification, operations and maintenance support services and an energy savings performance guarantee agreement with the Authority’s Customer;

<table>
<thead>
<tr>
<th>Commercial Paper Program/ Operating Fund</th>
<th>Ceiling</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM USA, Inc., Ameresco, Inc.; Aramark Engineering Solutions; Energy Systems Group, LLC; Honeywell, Inc.; Johnson Controls, Inc.; NORESCO, LLC; Siemens Building Technologies; Wendel Energy Services, LLC; Willdan Energy Solutions</td>
<td>$200million (Aggregate)</td>
<td>December 31, 2023 (with option of two (2), one-year extensions)</td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Authority’s Commercial Paper Notes, Series 1, Series 2 and Series 3, and Operating Fund monies may be used to finance GCEEP and Statewide EEP cost; and be it further
RESOLVED, That the Vice President – Energy Efficiency is authorized to determine which projects will be deemed to be energy efficiency projects within the meaning of Section (7) of Part P of Chapter 84 of the Laws of 2002 (the ‘Section (7) POCR Legislation’) to be funded, in part, with Petroleum Overcharge Restitution ("POCR") Funds allocated pursuant to the Section (7) POCR Legislation; and be it further

RESOLVED, That POCR funds allocated to the Authority by the Section (7) POCR Legislation may be used to the extent authorized by such legislation, in such amounts as may be deemed necessary or desirable by the Executive Vice President – Commercial Operations, Energy Solutions and Vice President – Energy Efficiency to finance projects within both Energy Efficiency Programs; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
viii. **Recharge New York Power Allocations**

The President and Chief Executive Officer submitted the following report:

“**SUMMARY**

The Trustees are requested to:

1. award allocations of Recharge New York (‘RNY’) Power available for ‘retention’ purposes to the businesses listed in Exhibit ‘5c viii-A’ in the amounts indicated on Exhibit ‘5c viii-A’;

2. award allocations of RNY Power available for ‘expansion’ purposes to the businesses listed in Exhibit ‘5c viii-B’ in the amounts indicated on Exhibit ‘5c viii-B’; and

3. award allocations of RNY Power available for eligible small businesses and not-for-profit corporations to the entities listed in Exhibit ‘5c viii-C’ in the amounts indicated on Exhibit ‘5c viii-C’.

These actions have been recommended by the Economic Development Power Allocation Board (‘EDPAB’) at its December 11, 2017 meeting.

**BACKGROUND**

On April 14, 2011, Governor Andrew M. Cuomo signed into law the RNY Power Program as part of Chapter 60 (Part CC) of the Laws of 2011 (‘Chapter 60’). The program makes available 910 megawatts (‘MW’) of ‘RNY Power,’ 50% of which will be provided by the Authority’s hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to seven years in exchange for job and capital investment commitments.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid and Rochester Gas and Electric utility companies; at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide; and up to 100 MW shall be dedicated for eligible not-for-profit corporations and eligible small businesses statewide.

Under the statute, ‘eligible applicant’ is defined to mean an eligible business, eligible small business, or eligible not-for-profit corporation, however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations. At its meeting on April 24, 2012, EDPAB defined a retail business as a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services, consistent with the rules previously promulgated by EDPAB for implementation of the Authority’s Economic Development Power program.

Prior to entering into a contract with an eligible applicant for the sale of RNY Power, and prior to the provision of electric service relating to a RNY Power allocation, the Authority must offer each eligible applicant that has received an award of RNY Power the option to decline to purchase the RNY Market Power component of such award. If the applicant declines to purchase the RNY Market Power component from the Authority, the Authority has no responsibility for supplying RNY Market Power component of the award.

As part of Governor Andrew M. Cuomo’s initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single on-line Consolidated Funding Application
(‘CFA’) marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

Applications for RNY Power are subject to a competitive evaluation process and are evaluated based on the following criteria set forth in the statutes providing for the RNY Power Program (the ‘RNY Statutes’):

‘(i) the significance of the cost of electricity to the applicant’s overall cost of doing business, and the impact that a recharge New York power allocation will have on the applicant’s operating costs;

(ii) the extent to which a recharge New York power allocation will result in new capital investment in the state by the applicant;

(iii) the extent to which a recharge New York power allocation is consistent with any regional economic development council strategies and priorities;

(iv) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;

(v) the applicant's payroll, salaries, benefits and number of jobs at the facility for which a recharge New York power allocation is requested;

(vi) the number of jobs that will be created or retained within the state in relation to the requested recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a recharge New York power allocation;

(vii) whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a recharge New York power allocation;

(viii) the significance of the applicant's facility that would receive the recharge New York power allocation to the economy of the area in which such facility is located;

(ix) the extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a recharge New York power allocation;

(x) whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the authority;

(xi) the extent to which a recharge New York power allocation will result in an advantage for an applicant in relation to the applicant’s competitors within the state; and

(xii) in addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the allocation is requested is located.’
Based on the evaluation of these criteria, the applications were scored and ranked. Evaluations also considered scores provided by the relevant Regional Economic Development Council under the third and eighth criteria.

In arriving at recommendations for RNY Power for EDPAB’s consideration, staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Business applicants with relatively high scores were recommended for allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that scored relatively high were recommended for allocations of 33% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs were recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocations have been awarded by the Trustees on eighteen prior occasions spanning from April 2012 through July 2017. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business ‘expansion’ purposes, 92.4 MW remain unallocated. Of the 100 MW of RNY Power that is set aside for not-for-profit corporations and small businesses pursuant to Chapter 60, 7.5 MW remain unallocated. Of the remaining RNY Power made available pursuant to Chapter 60, 58.5 MW remain unallocated.

These figures reflect Trustee actions on RNY Power applications taken prior to any actions the Trustees take today.

DISCUSSION

1. Retention-Based RNY Power Allocations – Action Item

The Trustees are asked to address applications submitted via the CFA process for RNY Power retention-based allocations. Consistent with the evaluation process as described above, EDPAB recommended, at its December 11, 2017 meeting, that RNY Power retention allocations be awarded to the businesses listed in Exhibit ‘5c viii-A.’ Each business has committed to retain jobs in New York State and to make capital investments at their facilities in exchange for the recommended RNY Power allocations.

The RNY Power ‘retention’ allocations identified in Exhibit ‘5c viii-A’ are each recommended for a term of seven years unless otherwise indicated. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power. The Authority’s standard RNY Power contract template, approved by the Trustees at their March 27, 2012 meeting, contains provisions addressing such things as effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain mutually agreed-upon commitments, relating to, among other things, employment levels, power utilization, and capital investments. In addition, there is a requirement that a recipient of an allocation perform an energy efficiency audit at its facility not less than once during the first five years of the term of the allocation.

2. Expansion-Based RNY Power Allocations – Action Item

The Trustees are also asked to address applications submitted for RNY Power expansion-based allocations via the CFA process which request allocations from the 200 MW block of RNY Power dedicated by statute for ‘for-profit’ businesses that propose to expand existing businesses or create new business in the State. These applications each seek a RNY Power allocation for expansion only, in the
case of a new business or facility. EDPAB recommended, at its December 11, 2017 meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit ‘5c viii-B.’ Each such allocation would be for a term of seven years unless otherwise indicated.

As with the evaluation process used for the retention recommendations described above, applications for the expansion-based RNY Power were scored based on the statutory criteria, albeit with a focus on information regarding each applicants’ specific project to expand or create their new facility or business (e.g., the expansion project’s cost, associated job creation, and new electric load due to the expansion).

The respective amounts of the expansion-related allocations listed in Exhibit ‘5c viii-B’ are largely intended to provide approximately 70% of the individual expansion projects’ estimated new electric load. Because these projects have estimated new electric load amounts, and to ensure that an applicant’s overestimation of the amount needed would not cause that applicant to receive a higher proportion of RNY Power to new load, the allocations in Exhibit ‘5c viii-B’ are recommended based on an ‘up to’ amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same proportion of the RNY Power allocation to requested load as stated in Exhibit ‘5c viii-B.’ The contracts for these allocations would also contain the standard provisions previously summarized in the last paragraph of Section 1 above.

3. Small Business and/or Not-for-Profit-Based RNY Power Allocations – Action Item

In addition, the Trustees are asked to address applications submitted via the CFA process for RNY Power for eligible small businesses and eligible not-for-profit corporations. Chapter 60 specifies that no more than 100 MW of RNY Power may be made available for eligible small businesses and eligible not-for-profit corporations. Consistent with the evaluation process described above, EDPAB recommended, at its December 11, 2017 meeting, that RNY Power allocations be awarded to the small businesses and not-for-profit applicants listed in Exhibit ‘5c viii-C.’ These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit ‘5c viii-C’ in exchange for the recommended RNY Power allocations as described in Exhibit ‘5c viii- C.’ The RNY Power allocations identified in Exhibit ‘5c viii-C’ are recommended for a term of seven years except as otherwise indicated. The sale contract would contain the types of standard contract provisions summarized in Section 1 above.

4. EDPAB – Applicants Not Recommended – Informational Item

At its meeting on December 11, 2017, EDPAB determined to not recommend the applicants listed on Exhibit ‘5c viii-D’ for a RNY Power allocation for the reasons specified on Exhibit ‘5c viii-D’. No action by the Trustees is required on these applications.

RECOMMENDATION

The Vice President of Economic Development recommends that the Trustees: (1) award the allocations of RNY Power for retention purposes to the businesses listed in Exhibit ‘5c viii-A’ as indicated therein; (2) award the allocations of RNY Power for expansion purposes to the businesses listed in Exhibit ‘5c viii-B’ as indicated therein; and (3) award the allocations of RNY Power for the small business and not-for-profit applicants identified in Exhibit ‘5c viii-C’ for both retention and expansion purposes as indicated therein.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”
Upon motion made by Trustee Trainor and seconded by Trustee Balboni, 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’s Trustees award Recharge New York ("RNY") Power allocations for retention purposes to the applicants listed in Exhibit “5c viii-A” in the amounts indicated; and

WHEREAS, EDPAB has recommended that the Authority’s Trustees award RNY Power allocations for expansion purposes to the applicants listed in Exhibit ‘5c viii-B’ in the amounts indicated; and

WHEREAS, EDPAB has recommended that the Authority Trustees award RNY Power allocations for retention and expansion purposes to the small businesses and not-for-profit applicants listed in Exhibit “5c viii-C” in the amounts indicated;

NOW THEREFORE BE IT RESOLVED, That, upon considering the foregoing as indicated in the report of the President and Chief Executive Officer and the accompanying exhibits, the Trustees hereby award allocations of RNY Power for retention purposes to the applicants listed on Exhibit “5c viii-A” in the amounts indicated; and be it further

RESOLVED, That upon considering the foregoing as indicated in the report of the President and Chief Executive Officer and the accompanying exhibits, the Trustees hereby award the allocations of RNY Power for expansion purposes to the applicants listed on Exhibit “5c viii-B” in the amounts indicated; and be it further

RESOLVED, That upon considering the foregoing as indicated in the report of the President and Chief Executive Officer and the accompanying exhibits, the Trustees hereby award the allocations of RNY Power for the small businesses and not-for-profit applicants listed on Exhibit “5c viii-C” in the amounts indicated; and be it further

RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, hereby is, authorized on behalf of the Authority to require any project for which an award has been made to meet designated progress milestones and provide for the expiration of any award in the event such milestones are not met; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
ix. Award of Fund Benefits from the Western New York Economic Development Fund Recommended by the Western New York Power Proceeds Allocation Board

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to accept the recommendations of the Western New York Power Proceeds Allocation Board (the ‘Allocation Board’ or ‘WNYPPAB’) and make an award of Fund Benefits from the Western New York Economic Development Fund to the eligible applicant listed in Exhibit ‘5c ix-A’ in the amount indicated on Exhibit ‘5c ix-A’ as discussed in more detail below and in Exhibit ‘5c ix-C,’ and authorize the other actions described herein with respect to such applicant and recommended award.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the ‘Act’). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power (‘EP’) and Replacement Power (‘RP’) produced at the Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an ‘eligible applicant’ is a private business, including a not-for-profit corporation. ‘Eligible projects’ is defined to mean ‘economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.’ Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York state; support for tourism and marketing and advertising efforts for western New York state tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits are disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project when NYPA determines this approach is appropriate for a project, NYPA has authorized the approach in advance, and proposed expenses can be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are ‘energy-related projects, programs and services,’ which is ‘energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services,'
and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.’

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP and PP, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, ‘Program Criteria’), adapted from the Allocation Board’s ‘Procedures for the Review of Applications for Fund Benefits,’ is attached as Exhibit ‘5c ix-B.’

The Allocation Board met on March 4, 2013 and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined ‘retail business’ to mean a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board’s recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award (‘Award Contract’) such other terms and conditions the Authority deems appropriate.

3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2018 on which the Allocation Board would meet to consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process was promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by the Western New York Empire State Development regional office.

DISCUSSION

At its November 7, 2017 meeting, the Allocation Board considered an application from Quorum Group, LLC dba Takeform Architectural Graphics (‘Quorum’) seeking $250,000 in Fund Benefits.

The Allocation Board’s staff analyzed the application and made a recommendation to the Allocation Board based on eligibility requirements and Program Criteria. A copy of the recommendation memorandum provided to the Allocation Board for Quorum is attached as Exhibit ‘5c ix-C.’ The application itself has also been made available to the Trustees for review.
As detailed in Exhibit ‘5c ix-C,’ the Quorum application seeks Fund Benefits to support a facility expansion and purchases of machinery and equipment and furniture and fixtures. Quorum indicates that the project would support the retention of 14 jobs and creation of at least 50 new jobs over the next five years. Quorum would spend approximately $2,600,000 on its project. A Fund Benefits award would target construction and machinery and equipment costs.

The Allocation Board has recommended that this applicant receive a Fund Benefit award in the amount indicated on Exhibit ‘5c ix-A,’ Given the nascent stage of the proposed project, it was not possible to recommend the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and successful applicant.

If this applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will contain provisions for periodic audits of the successful applicant for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments, relating to, among other things, employment levels and/or project element due dates.

RECOMMENDATION

The Vice President – Economic Development recommends that:

(1) the Trustees accept the recommendations of the Western New York Power Proceeds Allocation Board and make an award of Fund Benefits to the applicant in the amount identified in Exhibit ‘5c ix-A,’ conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in an Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or his designee, as to form;

(2) the Chief Commercial Officer – Energy Solutions, or such official’s designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the awards; and

(3) the Chief Commercial Officer – Energy Solutions, or such official’s designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit ‘5c ix-A’ subject to the foregoing conditions.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Kress, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, The Western New York Power Proceeds Allocation Board (“Allocation Board”) has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund (“Fund”) to the eligible applicant listed in Exhibit “5c ix-A” in the amount indicated;
NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibit “5c ix-A” in the amount indicated for the reasons set forth in the attached report and the exhibits and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract (“Award Contract”) between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further

RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Chief Commercial Officer – Energy Solutions, or such official’s designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit “5c ix-A” subject to the foregoing conditions; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
x. New York City Governmental Customers - Supplemental Long-Term Power Supply Agreements

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Trustees are respectfully requested to authorize the execution of new supplemental long-term power supply agreements with the following governmental customers located within New York City: the City of New York; the New York City Housing Authority; the Port Authority of New York and New Jersey; the Battery Park City Authority; the Convention Center Operating Corporation (the Jacob K. Javits Convention Center of New York); the Empire State Development Corporation; the Hudson River Park Trust; the Roosevelt Island Operating Corporation; and the United Nations Development Corporation (collectively, the ‘Customers’), as listed in Exhibit ‘Sc x-A.’

BACKGROUND

The Authority has served governmental customers, continuously and successfully, within New York City since 1976. The Authority serves a total of eleven governmental customers in this region in order to provide electric service to government facilities, including, but not limited to, office buildings, the subway system, public schools, public housing, hospitals, water and wastewater treatment plants, parks, police and fire stations, bus depots, and airports.

In 2017, the last year of the current supplemental long-term power supply agreement, the Authority and the New York City governmental customers entered into negotiations for a new supplemental long-term power supply agreement (‘LTA’). The LTA incorporates recent shifts in the electricity business, New York State’s clean energy goals, and continuing changes in the Authority’s supply portfolio, all in an effort to continue to provide value for, and serve this customer group.

Beyond the need for the LTA to continue to provide a degree of price stability for the Customers, the Authority set forth a means for Customers to more actively manage their energy supply portfolios, both through integration of potential renewables projects and clean on-site generation. Importantly, meeting the clean energy goals set forth by Governor Andrew Cuomo in the 2015 New York State Energy Plan was a core objective of the Authority throughout the negotiation process. The resulting LTAs represent agreements that will support New York State’s clean energy goals, provide budget certainty for these Customers, and continue to provide a stable customer base and revenue stream for the Authority. In 2016, these governmental customers accounted for roughly $1.1 billion in total revenue to the Authority.

DISCUSSION

Developed in collaboration with the Customers’ input and their respective evolving requirements, the features of the LTAs are as follows: i) The Authority will supply the Customers’ full electricity requirements through December 31, 2027; ii) the Authority will provide Customers budget certainty in setting total fixed costs for the 500 Megawatt Power Plant (‘500 MW Plant’) at $105 million per year (comprised of $97 million per year associated with the 500 MW Plant and a Load Serving Entity Fee of $8 million per year), a percentage of which will be allocated amongst the Customers. These fixed costs include operations and maintenance, and shared services expenses set at $105 million for the first five years of the LTA. These fixed costs will be renegotiated at the midpoint of the LTA; iii) individualized agreements for each Customer; iv) Customers will pay their allocated share of the fixed and variable costs for NYPA’s 500 MW Plant to receive its attendant benefits; v) Customers will have the ability to purchase renewable market products, either to be facilitated by NYPA or third-party providers, in order to meet their renewable energy goals; vi) Customers will have the ability to develop clean on-site and/or renewable distributed generation facilitated either by the Authority or third-party providers; vii) the City of New York, the New York City Housing Authority and the Port Authority of New York and New Jersey may
address their respective risk management goals through the option to hedge financially; viii) Customers will continue to pay the remaining expenses incurred with the decommissioning of the Poletti plant; ix) Zero Emission Credit payments will be collected from Customers under the terms of this agreement; and x) Consolidated Edison Company of New York, Inc. delivery charges will continue to be passed-through at cost, without mark-up.

The LTA has been signed by the City of New York, in the form attached as Exhibit ‘5c x-B,’ and is awaiting approval by the New York City Corporation Counsel and registration in accordance with New York City Charter Section 328. In addition, the LTA will be submitted for approval to the governing boards or responsible public official of the following entities, in the form attached hereto as each respective Exhibit: the New York City Housing Authority, Exhibit ‘5c x-C’; the Port Authority of New York and New Jersey, Exhibit ‘5c x-D’; the Battery Park City Authority, Exhibit ‘5c x-E’; the Convention Center Operating Corporation (the Jacob K. Javits Convention Center of New York), Exhibit ‘5c x-F’; the Empire State Development Corporation, Exhibit ‘5c x-G’; the Hudson River Park Trust, Exhibit ‘5c x-H’; the Roosevelt Island Operating Corporation, Exhibit ‘5c x-I’; and the United Nations Development Corporation, Exhibit ‘5c x-J.’ Each of the LTAs has an associated electric service tariff included in the exhibits.

**FISCAL INFORMATION**

The adoption of the LTA for all New York City governmental customers would secure $105 million annually in revenue to the Authority to cover its 500 MW Plant fixed costs. Variable costs and benefits associated with the 500 MW Plant are revenue neutral to the Authority and will be passed-through to the Customers.

**RECOMMENDATION**

The Vice President - Economic Development recommends that the Trustees authorize the execution of Long-Term Agreements (‘LTAs’), in the form attached in the following Exhibits: ‘5c x-B’, ‘5c x-C’, ‘5c x-D’, ‘5c x-E’, ‘5c x-F’, ‘5c x-G’, ‘5c x-H’, ‘5c x-I’, and ‘5c x-J’, with the respective governmental customers in New York City.

For the reasons stated, I recommend the approval of the above-requested action by adoption the resolution below.”

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Kress, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

**WHEREAS**, the Authority’s New York City governmental customers desire to have budget certainty, pursue clean energy goals, and obtain rate predictability and stability, and the Authority desires a stable customer base and revenue stream;

**NOW, THEREFORE BE IT RESOLVED,** That the Chairman, or his designee, is authorized to execute agreements between the governmental customers listed in Exhibit “5c x-A” and the Authority, in the form attached hereto as Exhibit “5c x-B,” Exhibit “5c x-C,” Exhibit “5c x-D,” Exhibit “5c x-E,” Exhibit “5c x-F,” Exhibit “5c x-G,” Exhibit “5c x-H,” Exhibit “5c x-I” and Exhibit “5c x-J” with such amendments, deletions and supplements along with any other documents necessary to effectuate the foregoing, subject to approval of the form thereof by the Executive Vice President and General Counsel or respective
designees to be appropriate to effectuate such agreements and be it further;

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating 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 and General Counsel.
6. **Board Committee Reports:**

   a. **Audit Committee**

   The Chair of the Audit Committee reported that the committee met earlier and adopted the minutes, received an Internal Audit activity report and reviewed and approved the 2018 Internal Audit Plan for NYPA and Canal Corporation, as well as the 2018 Internal Audit budget. The committee also considered amendments to the Audit Committee Charter and recommend its adoption to the full Board at this meeting.
b. **Governance Committee**

The Chair of the Governance committee reported that the committee met earlier and received reports from staff regarding procurement, real estate and ethics. The committee also considered some minor changes to the Governance Committee Charter. Changes in committee appointments were recommended by Chairman Koelmel and are reflected by the addition of the Board’s two newest Trustees. She said, germane to many of the conversations the Board members had today, the committee also recommended the creation of a new committee on cyber and physical security for NYPA and Canal Corporation.
c. **Finance Committee**

Acting Chair Nicandri said that the Committee met this morning and approved the minutes and minor amendments to the Finance Committee Charter. He said that the Committee also voted to recommend the adoption of three budget items to the full Board of Trustees and asked Mr. Robert Lurie to provide a brief outline of those recommendations to the meeting.

Mr. Robert Lurie said he presented the full budget plan in the public session and provided a summary of his earlier presentation. He said the financial plan that he presented began the acceleration of investments in the Strategic Plan that was presented to the Board in July. That plan includes the digitization strategy that President Quiniones referred to in his report to the Board. The plan also meets the thresholds that allow the Authority to protect its high bond rating and allows it to finance those investments at the lowest possible interest rates. The plan also maintains the highest level of safety, reliability and sustainability of the Authority’s assets for both NYPA and Canal Corporation. The Authority is confident that it is financially prudent and it will continue to maintain its leadership position in the energy industry. Staff is therefore requesting that the members adopt the resolutions found in the documents regarding the 2018 NYPA budget and the four-year financial plan; the 2018 Canal Corporation budget and the Release of funds to the Canal Corporation for the next quarter.
The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to approve the 2018 Budget for the Authority, specifically including the expenditures for the (i) 2018 Operations and Maintenance (‘O&M’) Budget (attached as Exhibit ‘6c i-A’), (ii) 2018 Capital Budget (attached as Exhibit ‘6c i-B’), (iii) 2018 Energy Services Budget (attached as Exhibit ‘6c i-C’) and (iv) 2018 Canal Development Fund Budget (collectively, with Exhibits ‘6c i-A’, ‘6c i-B’, and ‘6c i-C’, the ‘2018 Power Authority Budgets’).

The 2018 Power Authority Budgets set forth the expected expenses of the Authority and include the recommended expenditures in the following amounts:

<table>
<thead>
<tr>
<th>2018 Power Authority Budgets</th>
<th>($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M</td>
<td>$ 556.5</td>
</tr>
<tr>
<td>Capital</td>
<td>$ 298.8</td>
</tr>
<tr>
<td>Energy Services</td>
<td>$ 194.8</td>
</tr>
<tr>
<td>Canal Development Fund</td>
<td>$ 3.2</td>
</tr>
</tbody>
</table>

In accordance with regulations of the Office of the State Comptroller (‘OSC’), the Trustees are requested to approve the 2018-2021 Four-Year Budget and Financial Plan attached as Exhibit ‘6c i-D’ (in the form approved, the ‘Approved 2018-2021 Four-Year Budget and Financial Plan’) and authorize: (i) submitting the Approved 2018-2021 Four-Year Budget and Financial Plan to OSC, (ii) posting the Approved 2018-2021 Four-Year Budget and Financial Plan on the Authority’s website, and (iii) making the Approved 2018-2021 Four-Year Budget and Financial Plan available for public inspection at not less than five convenient public places throughout New York State.

BACKGROUND

The Authority is committed to providing clean, low-cost and reliable energy consistent with its commitment to the environment and safety, while promoting economic development and job development, energy efficiency, renewables and innovation, for the benefit of its customers and all New Yorkers. The mission statement of the Authority is to power the economic growth and competitiveness of New York State by providing customers with low-cost, clean, reliable power and the innovative energy infrastructure and services they value.

The New York State Canal Corporation (the ‘Canal Corporation’) became a subsidiary of the Authority effective January 1, 2017. The 2018 Power Authority Budgets include the budget information of the Authority and the Canal Corporation. Assumptions that were used by staff to prepare the 2018 Power Authority Budgets, and for forward periods, have been incorporated in the 2018-2021 Four-Year Budget and Financial Plan.

The 2018 Power Authority Budgets are intended to provide the Authority’s operating facilities with, and support organizations by providing the resources needed to meet the Authority’s overall mission and the Authority’s strategic objectives, and to fund the expenses of the Canal Corporation. Any transfers of funds from the Authority to the Canal Corporation would be subject to compliance with the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented (the ‘Revenue Bond Resolution’). Canal Development Fund expenses are expected to be reimbursed to the Authority by the State Comptroller with moneys held in the New York State Canal System Development Fund as discussed in the attached Canal Corporation Budget report.
In approving the 2018 Power Authority Budgets, the Trustees will be authorizing spending for 2018 operations, spending for capital projects, and spending for general plant purchases of $750,000 or less. The 2018 Power Authority Budgets include requests for 20 new positions that are pooled and funded in a cost center under the Executive Office.

In accordance with the Authority’s Expenditure Authorization Procedures, the President and Chief Executive Officer may, during the course of the year, authorize an additional 1.0% in the O&M Budget, up to 15 new positions, capital projects of $3 million or less, or an increase in spending of no more than $1 million to a capital project previously approved by the Trustees. All other spending authorizations must be approved by the Trustees.

The OSC implemented regulations in March 2006 addressing the preparation of annual budgets and four-year financial plans by ‘covered’ public authorities, including the Authority. (See 2 NYCRR Part 203 (‘Part 203’)). These regulations, which are discussed below, establish various procedural and substantive requirements relating to the budgets and financial plans of public authorities. The 2018-2021 Four-Year Budget and Financial Plan has been prepared in accordance with these regulations.

DISCUSSION

2018 Power Authority O&M Budget

The 2018 O&M Budget of $474.5 million reflects a continued concentration on the effective operation and maintenance of the Authority’s critical investments in New York State’s electric infrastructure and the Canal Corporation in addition to the continued support of other strategic investments.

The 2018 O&M Budget for Operations provides $243.2 million for baseline, or recurring, work. In addition to the baseline work, scheduled maintenance outages at the 500 MW plant and the Small Clean Power Plants (totaling $19.7 million), and planned enhancements in non-recurring maintenance work at the operating facilities (totaling $41.5 million), are designed to support high reliability goals. Some of the major non-recurring projects include: Marcy Auto Transformer Reactor Breaker Refurbishment ($5.2 Million), the PV-20 Submarine Cable Removal ($3.7 Million), St. Lawrence Ice Sluice Gate Removal ($2.4 Million), Robert Moses Headgate Refurbishment ($2.2 Million), and the Niagara Region Tower Painting ($2.1 Million).

The Astoria Energy II Budget totals $28.8 million and represents the contractual O&M costs for the plant, which was placed in commercial operation in New York City in July 2011. These costs are being recovered from the Authority’s New York City governmental customers, who are beneficiaries of the outputs of these projects under a long-term contract with the Authority.

The 2018 O&M Budget for Operations includes $82.0 million for the Canal Corporation for the purposes described in the 2018 Canal Corporation Budget report being presented to the Canal Corporation Board of Directors at this December 2017 meeting.

2018 Power Authority Capital Budget

The 2018 Capital Budget totals $258.8 million, which is flat to the 2017 Budget. Of this amount, $187.7 million – or 72.5% of the total – represents planned investments in the Authority’s Upstate New York facilities at Niagara and St. Lawrence, as well as in the Authority’s statewide Transmission network. Significant capital projects for 2018 include the Lewiston Pump Generation Plant Life Extension and Modernization (‘LEM’) ($50.2 million), the Niagara Transmission Life Extension and Modernization (‘LEM’) ($14.3 million), Energy Control Center Redundancy ($11.4 Million), Smart G&T Communications Backbone ($10.8 Million) the Information and Technology Initiatives project ($10.5 million), the IT Cyber Security Initiative ($7.8 million), Sensor Deployment ($7.1 Million), and the St. Lawrence Breaker and Relay Program ($7.0 million).
The 2018 Capital Budget includes $40.0 million for the Canal Corporation for the purposes described in the 2018 Canal Corporation Budget report being presented to the Canal Corporation Board of Directors at this December 2017 meeting.

2018 Energy Services Budget

The 2018 Energy Services Budget totals $194.8 million, a decrease of $13.7 million from the 2017 Energy Services Budget. These expenditures will be subsequently recovered over time from the benefiting customers. The 2018 Energy Services Budget includes funding for energy efficiency projects for Authority customers and other eligible entities as the Authority strives to support the State’s improved energy efficiency and clean, renewable energy goals.

2018 Canal Development Fund Budget

The 2018 Canal Development Fund Budget totals $3.2 million, representing ongoing costs associated with the New York State Canal System Development Fund (‘Canal Development Fund’).

The Canal Development Fund, created by State Finance Law §92-u, is a fund established in the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. The Canal Development Fund consists largely of revenues received from the operation of the Canal System. Moneys of the Canal Development Fund, following appropriation by the legislature, is made available to the Authority, and may be expended by the Authority or the Canal Corporation for the maintenance, construction, reconstruction, development or promotion of the Canal System. In addition, moneys of the Canal Development Fund may be used for the purposes of interpretive signage and promotion for appropriate historically significant Erie Canal lands and related sites. Moneys from the Canal Development Fund are paid out by the State Comptroller on certificates issued by the Director of the Budget.

2018-2021 Four-Year Budget and Financial Plan

Under Part 203 of the OSC Regulations, the Trustees are required to adopt a Four-Year Budget and Financial Plan. The approved Four-Year Budget and Financial Plan must be available for public inspection not less than seven days before the commencement of the next fiscal year for a period of not less than 45 days and in not less than five convenient public places throughout the State. The approved Four-Year Budget and Financial Plan must also be submitted to OSC, via electronic filing through the Public Authorities Reporting Information System, within seven days of approval by the Trustees. The regulations also require the Authority to post the approved Four-Year Budget and Financial Plan on its Web site.

Under Part 203, each Four-Year Budget and Financial Plan must be shown on both an accrual and cash basis and be prepared in accordance with generally accepted accounting principles; be based on reasonable assumptions and methods of estimation; be organized in a manner consistent with the public authority’s programmatic and functional activities; include detailed estimates of projected operating revenues and sources of funding; contain detailed estimates of personal service expenses related to employees and outside contractors; list detailed estimates of non-personal service operating expenses and include estimates of projected debt service and capital project expenditures.

Other key elements that must be incorporated in each Four-Year Budget and Financial Plan are a description of the budget process and the principal assumptions, as well as a self-assessment of risks to the budget and financial plan. Additionally, each Four-Year Budget and Financial Plan must include a certification by the Chief Operating Officer.

The first year of the 2018-2021 Four-Year Budget and Financial Plan is based on the 2018 Power Authority Budgets being brought to the Board for approval at this time. The remaining three years are indicative forecasts.
FISCAL INFORMATION

Payment of O&M expenses will be made from the Operating Fund. Any transfers of funds from the Authority for payment of O&M expenses for the Canal Corporation would be subject to approval by the Authority’s Board of Trustees and compliance with the Authority’s Revenue Bond Resolution.

Payment for Capital and Energy Services expenditures will be made from the Capital Fund and the Energy Conservation Construction and Effectuation Fund, respectively. Monies of up to $298.8 million from the Operating Fund will be transferred to the Capital Fund for capital expenditures, subject to compliance with the Revenue Bond Resolution.

Canal Development Fund expenses are expected to be reimbursed to the Authority by the State Comptroller with moneys held in the Canal Development Fund as discussed above.

The 2018 Operating Budget shows adequate earnings levels so that the Authority may maintain its financial goals for cash flow and reserve requirements.

The 2018-2021 Four-Year Budget and Financial Plan’s net income estimates for each of the years 2018 through 2020 are indicative forecasts. The Trustees are not being asked to approve any revenue and expenditure amounts for those years at this time.

RECOMMENDATION

The Chief Financial Officer recommends that the Trustees approve the 2018 Budget for the Power Authority, specifically including the expenditures for the (i) 2018 Operations and Maintenance Budget, (ii) 2018 Capital Budget, (iii) 2018 Energy Services Budget and (iv) 2018 Canal Development Fund Budget, each as discussed herein.

In connection with the 2018 Capital Budget, the Chief Financial Officer recommends that the Trustees authorize the transfer of up to $298.8 million from the Operating Fund to the Capital Fund, subject to compliance with the Revenue Bond Resolution.

The Chief Financial Officer further recommends that the Trustees (1) approve the 2018-2021 Four-Year Budget and Financial Plan to the Office of the State Comptroller in the prescribed format, (ii) posting the Approved 2018-2021 Four-Year Budget and Financial Plan on the Authority’s Web site, and (iii) making the Approved 2018-2021 Four-Year Budget and Financial Plan available for public inspection at not less than five convenient public locations throughout New York State.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below."

RESOLVED, That the 2018 Budget for the Power Authority, specifically including the expenditures for the (i) 2018 Power Authority Operations and Maintenance Budget, (ii) 2018 Capital Budget, (iii) 2018 Energy Services Budget and (iv) 2018 Canal Development Fund Budget, each as discussed in the foregoing report of the President and Chief Executive Officer, are hereby approved; and be it further

RESOLVED, That up to $298.8 million of monies in the Operating Fund are hereby authorized to be withdrawn
from such Fund and deposited in the Capital Fund, provided that at the time of withdrawal of such amount or portions of such amount, the monies withdrawn are not then needed for any of the purposes specified in Sections 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations as amended and supplemented, with the satisfaction of such condition being evidenced by a certificate of the Treasurer or the Deputy Treasurer; and be it further

RESOLVED, That pursuant to 2 NYCRR Part 203, the attached 2018-2021 Four-Year Budget and Financial Plan, including its certification by the Chief Operating Officer, is approved in accordance with the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to 2 NYCRR Part 203, the Corporate Secretary be, and hereby is, authorized to submit the Approved 2018-2021 Four-Year Budget and Financial Plan to the Office of the State Comptroller in the prescribed format, post the Approved 2018-2021 Four-Year Budget and Financial Plan on the Authority’s website and make the Approved 2018-2021 Four-Year Budget and Financial Plan available for public inspection at not less than five convenient public places throughout New York State; and be it further

RESOLVED, That the Chairman, the Vice 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 and General Counsel.
ii. Release of Funds in Support of the New York State Canal Corporation

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to authorize the release of up to $20.5 million in funding to the New York State Canal Corporation (‘Canal Corporation’) to support the operations of the Canal Corporation in calendar year 2018. The amount requested is 25% of the Canal Corporation’s 2018 O&M Budget as presented to the Canal Corporation Board of Directors at this December 2017 meeting.

BACKGROUND

The Authority has been authorized to provide financial support for the Canal Corporation. See, e.g., Public Authorities Law § 1005-b(2). However, certain expenditures associated therewith do not constitute Capital Costs or Operating Expenses (‘Operating Expenses’) as defined in the Authority’s General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented (‘Bond Resolution’). Expenditures for the Canal Corporation’s operating purposes that do not constitute Capital Costs or Operating Expenses must satisfy the requirements of the Authority’s Bond Resolution relating to the release of funds from the trust estate created by the Bond Resolution for lawful corporate purposes. In addition, as set forth in the Trustees’ Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 is to be used as a reference point in considering any such release of funds.

The Bond Resolution permits the Authority to withdraw monies ‘free and clear of the lien and pledge created by the [Bond Resolution]’ provided that (a) such withdrawals must be for a ‘lawful corporate purpose as determined by the Authority,’ and (b) the Authority must determine, taking into account, among other considerations, anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt.

Under the Bond Resolution, Capital Costs (which includes capital costs related to the Canal Corporation) may be paid without satisfying the provision described above.

DISCUSSION

The Canal Corporation became a subsidiary of the Authority effective January 1, 2017. With this authorization, the Trustees will approve the release $20.5 million, an amount equal to 25% of the Canal Corporation’s 2018 O&M Budget as presented to the Canal Corporation Board of Directors at this December 2017 meeting. With regard to Canal Corporation’s operating expenses in excess of $20.5 million in calendar year 2018, staff is not requesting any action at this time, but will return to the Board to request additional releases, as needed.

Staff has reviewed the effect of releasing up to an additional $20.5 million in funding at this time on the Authority’s expected financial position and reserve requirements. In accordance with the Board’s Policy Statement adopted May 24, 2011, staff calculated the impact of this funding on the Authority’s debt service coverage ratio and determined it would not fall below the 2.0 reference point level. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to release up to $20.5 million at this time.
FISCAL INFORMATION

Staff has determined that sufficient funds are available in the Operating Fund to release up to $20.5 million in funding to support the operation of the Canal Corporation in calendar year 2018. Staff has further determined that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s Bond Resolution.

The expenses associated with the operations of the Canal Corporation for calendar year 2018 are included in the 2018 Canal Corporation Budget and the 2018 Power Authority Budget that are being presented to the Canal Corporation Board of Directors and the Authority’s Board of Trustees, respectively, at this December 2017 meeting.

RECOMMENDATION

The Chief Financial Officer recommends that the Trustees authorize the release of up to $20.5 million in funding to the Canal Corporation to support the operations of the Canal Corporation in calendar year 2018. The Chief Financial Officer further recommends that the Trustees affirm that such releases are feasible and advisable, that such funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s Bond Resolution and that the release of such funds is authorized.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.”

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Kress, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby authorize the release of up to $20.5 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2018, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the amount of up to $20.5 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That as a condition to making the payments specified in the foregoing report, on the day of such payments, the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is,
authorized and directed, for and in the name and 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 that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Executive Vice President and General Counsel.
Ms. Jill Anderson provided the following remarks:

“As was announced today, this is my last meeting with the Trustees. I will be leaving NYPA in January as I am joining Southern California Edison, a utility near Los Angeles. I will be joining their leadership team working on many customer-type products and services that we have been doing here at NYPA. I have been at NYPA eight years and I’m very grateful to Gil, especially to the Board, to my fellow executive management committee members and to all the team members who I’ve worked with through the years who’ve taken some risks on me, given me new assignments and new responsibilities; It has been an incredible time of growth. My leave from NYPA is certainly bittersweet. It has become a home for me, but I think it’s time for my family and I to start something new; so we are going to be relocating 3,000 miles away to California, to warmer weather, and we are looking forward to that, but I very much appreciate, and am grateful for, the time that I’ve had here at NYPA.”

President Quiniones provided the following remarks:

“We are told by the Old Testament and, coincidentally, by the rock group ‘The Birds,’ a number of millennia later, that ‘for everything there is a season and a time to every purpose under heaven.’ That language provides us with a poetic justification for Jill Anderson’s decision to leave us next month. As many of us have learned over the last few days, Jill has accepted a leadership position with Southern California Edison. She will be leaving us early next month and she will be missed. As the proclamation of the Board and the letter of commendation from Governor Andrew Cuomo beautifully attest, Jill’s accomplishments throughout her eight years have been truly extraordinary. She is extensively lauded for her work as the co-author of the ‘New York Energy Highway Blueprint,’ her many achievements in energy efficiency, Build Smart NY, Five Cities, Recharge NY and, her favorite, Smart LED Lighting, and in such disparate areas such as regulatory affairs, small renewables like K-Solar, large-scale renewables, commercial operations, corporate communications and energy policy.

“I first met Jill in 2005 at City Hall in New York City and it was obvious who she would eventually become. She was already known as a brilliant young engineer at Con Edison and a rising star. She was in the midst of what was called the 3-G (Third Generation) Project of Con Edison. She was benchmarking smart grid projects all over large cities around the world to help
evolve the grid of Con Edison into its third generation; I recognized that this was someone that I wanted on my team. I tried to bring her into the Bloomberg administration in 2005, but it did not work out; but I was dogged and determined. Eventually, Jill came to NYPA in 2009 and when I became president and CEO I asked her to be my Chief of Staff; it turned out to be a great partnership. We listened to each other, understood and supported each other, both equally dedicated to whatever we were trying to achieve. Recognizing her considerable skills and unbelievably impressive learning curve, it made enormous sense to give her more assignments and greater responsibilities and each time I did she exceeded all my expectations and extended her growing legacy of achievement. Eventually, she became my co-pilot.

“Given all that she had accomplished, both internally and externally, Jill started to serve on a number of prestigious boards and the rest of the industry started to understand what she had to offer as she made her views known on a wide range of transformative energy issues. One area where Jill was definitely ahead of the curve was her insistence that many more women be recruited by, and elevated in, the utility industry, a world that had traditionally been way too ‘male.’ Always a person of action, she created ‘Women in Power’ so that NYPA would be a far more inclusive and diverse organization, one that better reflected the actual demographics of our customers and our state. Again, to no surprise, it became an incredibly popular group as it embraced all kinds of training while learning from a variety of speakers and thought leaders about what it takes to become effective leaders, male or female.

“In many ways, Jill is following a great tradition at NYPA; she has made her mark, established an amazing legacy and then move on to new challenges. For decades, we have attracted such larger-than-life individuals to the Power Authority. They come here because they have an enormous opportunity to make a difference, whether it is building hydro-electric plants in record time or creating the transmission backbone for our state; eventually they leave. Then, we are blessed with new, great leaders and they begin writing a new chapter for NYPA. As our turbines keep generating electricity, the lights stay on and life continues. Well, we know that is exactly what will happen after Jill leaves early next month. However, for now, we will take a moment to be a bit sad as we say goodbye to our wonderful colleague, Jill Anderson. She will definitely be missed by all of us, especially by me.”
On behalf of the Board, Chairman Koelmel thanked Jill for everything she has done for the Authority and said that they look forward to watching the continued rise of her “star” in the years ahead.

Upon motion made by Trustee Trainor and seconded by Trustee Balboni, the attached resolution was unanimously adopted by the Board. (Exhibit “7-A”)
8. **Next Meeting**

The next meeting of the Board will be held on January 30, 2018 at the Clarence D. Rappleyea Building, White Plains, New York, unless otherwise designated by the Chairman with the concurrence of the Trustees.
Closing

Upon motion made by Trustee Balboni and seconded by Trustee Trainor, the meeting was adjourned at approximately 1:14 p.m.

Karen Delince
Karen Delince
Corporate Secretary
A. PURPOSE

The purpose of the Governance Committee ("Committee") is to: keep the Board of Trustees informed of current best governance practices; review corporate governance trends; recommend updates to the Authority's corporate governance principles; advise appointing authorities on the skills and experiences required of potential Trustees; examine ethical and conflict of interest issues; perform Trustee self-evaluations; review and recommend by-laws which include rules and procedures for conduct of Trustee business; and perform such other responsibilities as the Trustees shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of not less than three independent members of the Board of Trustees. All members shall possess the necessary skills to understand the duties and functions of the Committee. Committee members and the Committee Chair shall be selected by a vote of the Board of Trustees.

(2) Term

Committee members shall serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.
(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least twice per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority’s Chair, President and Chief Executive Officer, Vice President and Chief Ethics and Compliance Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and General Counsel, or Vice President Enterprise Shared Services.

In addition, the Committee shall meet at least twice per year with the Authority’s Vice President and Chief Ethics and Compliance Officer to discuss the effectiveness of the organization’s overall ethics and compliance program and reported instances of Code of Conduct violations. These meetings may be held as part of a regular or special meeting in the Committee’s discretion.

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 the total Committee composition established pursuant to section B(1) of this Charter 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.

C. FUNCTIONS AND POWERS

(1) Code of Conduct, Ethics, Compliance and Governance Practices

The Committee shall seek to: (1) ensure the effectiveness of management’s monitoring of the Authority’s compliance with the Authority’s Code of Conduct and programs and Authority policies designed to ensure the Authority’s compliance with legal and regulatory matters; and (2) promote honest and ethical conduct by Authority Trustees, officers and employees to enhance public confidence in the Authority. To accomplish these objectives the Committee shall:

a. Review at least annually the Authority’s Code of Conduct, and require the Corporate Secretary to coordinate revisions to the Code for consideration and approval by the Board of Trustees.

b. Provide oversight and guidance to the Authority’s Vice President and Chief Ethics and Compliance Officer relating to the programs and policies of the Authority designed to ensure compliance with applicable laws and regulations.
c. Advise the Board of Trustees on current best governance practices and trends.

d. Periodically review and as necessary recommend changes to the Authority’s By-laws.

e. Periodically review and as necessary recommend changes to the Authority’s written corporate policies, including policies relating to conflicts of interest, corporate governance principles, equal opportunity employment, procurement of goods and services, acquisition and disposition of real and personal property or interests therein, record keeping and reporting of contacts by persons who attempt to influence the Authority’s procurement process, regulations and rate proceedings, and the protection of whistleblowers.

f. Report at least annually to the Board of Trustees on matters relating to the Authority’s compliance with the Code of Conduct and applicable legal and regulatory matters, and make such recommendations as the Committee deems appropriate.

(2) Trustee Performance

The Committee shall advise Trustee appointing authorities on the skills and experiences required of Trustees, and perform Trustee self-evaluations.

(3) Investigations and Meetings

The Committee shall have the authority to authorize investigations into any matter within the Committee’s purview. The Committee may retain independent counsel, accountants, or other professionals pursuant to the Authority’s procurement and expenditure policies and procedures to assist it in the conduct of any such investigations. The Committee shall have the authority to meet with Authority staff on compliance issues.

(4) Hiring

The Committee shall review and make recommendations to the Board of Trustees concerning the election and compensation of all officers, consistent with the By-laws, the needs of the Authority, good organizational management practices and such other criteria the Committee deems appropriate.

(5) Reports

The Vice President and Chief Ethics and Compliance Officer, Vice President Procurement, and the Vice President Enterprise Shared Services shall report to the Committee at all regularly scheduled meetings.

The Committee shall have the authority to require Ethics, Procurement and Real
Estate staff to prepare additional reports and to produce documents for Committee review.
GOVERNANCE COMMITTEE CHARTER

A. PURPOSE

The purpose of the Governance Committee (“Committee”) is to: keep the Board of Trustees informed of current best governance practices; review corporate governance trends; recommend updates to the Authority’s corporate governance principles; advise appointing authorities on the skills and experiences required of potential Trustees; examine ethical and conflict of interest issues; perform Trustee self-evaluations; review and recommend by-laws which include rules and procedures for conduct of Trustee business; and perform such other responsibilities as the Trustees shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of not less than three nor more than five members of the Board of Trustees. At least three members of the Committee shall be independent members of the Board of Trustees. All members shall possess the necessary skills to understand the duties and functions of the Committee. Committee members and the Committee Chair shall be selected by a vote of the Board of Trustees.

(2) Term

Committee members shall serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.
(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least three times twice per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority’s Chair, President and Chief Executive Officer, Vice President of Labor Relations and Chief Ethics and Compliance Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and General Counsel, or Vice President Enterprise Shared Services.

In addition, the Committee shall meet at least twice three times per year with the Authority’s Vice President of Labor Relations and Chief Ethics and Compliance Officer to discuss the effectiveness of the organization’s overall ethics and compliance program and reported instances of Code of Conduct violations. These meetings may be held as part of a regular or special meeting in the Committee’s discretion.

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 the total Committee composition established pursuant to section B(1) of this Charter 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.

C. FUNCTIONS AND POWERS

(1) Code of Conduct, Ethics, Compliance and Governance Practices

The Committee shall seek to: (1) ensure the effectiveness of management’s monitoring of the Authority’s compliance with the Authority’s Code of Conduct and programs and Authority policies designed to ensure the Authority’s compliance with legal and regulatory matters; and (2) promote honest and ethical conduct by Authority Trustees, officers and employees to enhance public confidence in the Authority. To accomplish these objectives the Committee shall:

a. Review at least annually the Authority’s Code of Conduct, and require the Corporate Secretary to coordinate make revisions to the Code for consideration and approval by the Board of Trustees.

b. Provide oversight and guidance to the Authority’s Vice President of Labor Relations and Chief Ethics and Compliance Officer relating to the programs and policies of the Authority designed to ensure compliance with applicable laws and regulations.
c. Advise the Board of Trustees on current best governance practices and trends.

d. Periodically review and as necessary recommend changes to the Authority’s By-laws.

e. Periodically review and as necessary recommend changes to the Authority’s written corporate policies, including policies relating to conflicts of interest, corporate governance principles, equal opportunity employment, procurement of goods and services, acquisition and disposition of real and personal property or interests therein, record keeping and reporting of contacts by persons who attempt to influence the Authority’s procurement process, regulations and rate proceedings, and the protection of whistleblowers.

f. Report at least annually to the Board of Trustees on matters relating to the Authority’s compliance with the Code of Conduct and applicable legal and regulatory matters, and make such recommendations as the Committee deems appropriate.

(2) Trustee Performance

The Committee shall advise Trustee appointing authorities on the skills and experiences required of Trustees, and perform Trustee self-evaluations.

(3) Investigations and Meetings

The Committee shall have the authority to authorize investigations into any matter within the Committee’s purview. The Committee may retain independent counsel, accountants, or other professionals pursuant to the Authority’s procurement and expenditure policies and procedures to assist it in the conduct of any such investigations. The Committee shall have the authority to meet with Authority staff on compliance issues.

(4) Hiring

The Committee shall review and make recommendations to the Board of Trustees concerning the election and compensation of all statutory and non-statutory officers, consistent with the By-laws, the needs of the Authority, good organizational management practices and such other criteria the Committee deems appropriate.
(5) Reports

The Vice President of Labor Relations and Chief Ethics and Compliance Officer, and the Vice President Procurement, and the Vice President Procurement, and Director Real Estate and the Vice President Enterprise Shared Services shall report to the Committee at all regularly scheduled meetings.

The Committee shall have the authority to require Ethics, Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.
AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee ("Committee") oversees the work of the Internal Audit Department and monitors all internal audits and external audits performed by the Independent Auditor and other external agencies as well as management’s corrective action and implementation plans to all audit findings.

The responsibilities of the Committee are to: recommend to the Board of Trustees the hiring of a certified independent accounting firm for the New York Power Authority ("Authority"), establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit conducted by the accounting firm hired for such purposes, provide direct oversight of the Internal Audit Department, and perform such other responsibilities as the Trustees may assign it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee will be comprised of at least three independent members of the Board of Trustees, who possess the necessary skills to understand the duties and functions of the Committee and be familiar with corporate finance and accounting. Committee members and the Committee Chair will be selected by a vote of the Board of Trustees.

Committee members are prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

(2) Term

Committee members will serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.
(3) **Removal**

A Committee member may be removed if he or she is removed as Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) **Meetings and Quorum**

The quorum of the Committee is a majority of the number of regular Committee members selected by the Board of Trustees.

A majority vote of all Committee members present is required to take action on a matter.

The Committee shall hold regularly scheduled meetings at least three 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 ("CEO"), Executive Vice President and Chief Operating Officer ("COO"), Executive Vice President and General Counsel ("GC"), Executive Vice President and Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Controller, or Chief Audit Executive of the Internal Audit Department ("CAE"). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present.

In addition, the Committee: (1) will meet at least twice a year with the CAE for the purpose of reviewing audit activities, audit findings, management’s response, remediation action plans, and providing the CAE with an opportunity to discuss items and topics of relevance with the Committee; (2) will meet at least twice a year with the Authority’s independent auditors to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the Authority’s CEO, COO, GC, CFO, CRO, Controller, or CAE on matters or issues and items within the Committee’s purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee’s discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law. Minutes of the meeting should include, at a minimum:

a. Date; location; time meeting was called to order and adjourned; and if other Board committee (e.g., Finance Committee) is meeting simultaneously.

b. Title and name of attendees; public comments period; title and name of public speakers.

c. Approval of the official proceedings of the previous month’s Committee meeting.

d. Pre-Approval of audit and non-auditing services as appropriate, all auditing services and non-audit services to be performed by independent auditors will be presented to and pre-approved by the Committee:

   1. External Audit Approach Plans: Independent auditor presents approach/service plan, which is to be submitted to the Committee electronically;
   2. Internal Audit Activity Report: CAE provides overview of Internal Audit activities; and
   3. Risk Management: CRO provides an overview of Risk Management activities.

e. Follow-up items including communications to the Committee of the current status of selected open issues, concerns, or matters previously brought to the Committee’s attention or requested by the Committee.

f. Status of audit activities, as appropriate; representatives of the certified independent accounting firm or agency management will discuss with the Committee significant audit findings/issues, the status of on-going audits, and the actions taken by agency management to implement audit recommendations.

g. Copies of handouts or materials presented to the Committee.
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.

C. FUNCTIONS AND POWERS

The Committee has the following responsibilities:

(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 staff and the retention of external advisors subject to the requirements of the Public Authorities Law and the Authority’s Expenditure Authorization Procedures. The Committee may communicate directly with the CEO.

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) Accounting, Financial Reporting, and Oversight of Independent Accountants and Controller

The Committee will seek to enhance the integrity, quality, reliability and accuracy of the Authority’s financial statements and accompanying notes, and will oversee the relationship with the Authority’s independent accountants. To accomplish these objectives, the Committee will:

a. Provide advice to the Trustees on the selection, engagement, compensation, evaluation and discharge of the independent accountants.

b. Review and discuss as necessary the Authority’s financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller, or members of Authority management.

c. Review and approve the Authority’s annual audited financial statements (including the independent accountants’ associated management letter).

d. Oversee the establishment of procedures for the effective receipt and treatment of (i) complaints regarding auditing, internal auditing and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.

e. Review at least annually the scope, objectives and results of the independent auditors’ examination of the annual financial statements and accompanying notes, and report to the Trustees on the Committee’s findings.

f. Assure the independence of the independent accountants by approving any non-audit work by them for the Authority and examining the independent auditor’s relationship with the Authority.
g. Report to the Trustees on any matters relevant to the audit process or independent accountant communications, and make such recommendations as the Committee deems appropriate.

(3) **Risk Management, Internal Controls and Oversight of the Internal Audit Department**

The Committee will seek to enhance the Authority’s risk management infrastructure, and ensure timely and effective identification and mitigation of critical business risks. To accomplish these objectives, the Committee will:

   a. Have authority over appointment, dismissal, compensation and performance reviews of the CAE. The CAE will report directly to the Committee.

   b. Review the charter, activities, staffing and organizational structure of the Internal Audit Department with management and the CAE.

   c. Ensure that the Internal Audit Department is organizationally independent from Authority operations.

   d. Provide oversight of the Internal Audit Department and its resources and activities to facilitate the Internal Audit Department’s improvement of internal controls.

   e. Review Internal Audit reports and recommendations of the CAE. This review will include a discussion of significant risks reported in the Internal Audit reports, and an assessment of the responsiveness and timeliness of management’s follow-up activities pertaining to the same.

   f. Require the CAE to attend any meeting of the Committee and to prepare and deliver such reports as the Committee requests.

   g. Provide guidance to the Authority’s CRO and enterprise risk management program on critical business objectives, risks and philosophy and tolerance for risk mitigation, and establish requirements for the CRO to report to the Committee.

   h. Report at least annually to the Board of Trustees on matters relating to the internal audit function and the enterprise risk management program, and make such recommendations as the Committee deems appropriate.

   i. Present periodic reporting to the Board on how the Committee has discharged its duties and met its responsibilities, and regularly report activities, issues and recommendations.

   j. Review the Committee’s charter annually, reassess its adequacy, and recommend any proposed changes to the Board.

   k. Conduct an annual self-evaluation of performance, including its effectiveness and compliance with the charter.
AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee (“Committee”) oversees the work of the Internal Audit Department and monitors all internal audits and external audits performed by the Independent Auditor and other external agencies as well as management’s corrective action and implementation plans to all audit findings.

The responsibilities of the Committee are to: recommend to the Board of Trustees the hiring of a certified independent accounting firm for the New York Power Authority (“Authority”), establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit conducted by the accounting firm hired for such purposes, provide direct oversight of the Internal Audit Department, and perform such other responsibilities as the Trustees may assign it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee will be comprised of at least three, but not exceeding five, independent members of the Board of Trustees, who possess the necessary skills to understand the duties and functions of the Committee and be familiar with corporate finance and accounting. Committee members and the Committee Chair will be selected by a vote of the Board of Trustees.

The Board may vote to designate one alternate member, who meets all the Committee member requirements, to serve on the Committee (a) in the absence of a regular Committee member at a meeting, (b) upon recusal or abstention of a regular Committee member from an action, or (c) in case of a vacancy on the Committee until such time as the Board of Trustees selects a replacement Committee member.

Committee members are prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

(2) Term

Committee members will serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.
(3) Removal

A Committee member may be removed if he or she is removed as Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The quorum of the Committee is a majority of the number of regular Committee members selected by the Board of Trustees.

A majority vote of all Committee members present is required to take action on a matter. The alternate Committee member is counted toward a quorum and votes only as provided for under Section B (3).

The Committee shall hold regularly scheduled meetings at least three 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 ("CEO"), Executive Vice President and Chief Operating Officer ("COO"), Executive Vice President and General Counsel ("GC"), Executive Vice President and Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Controller, or Chief Audit Executive of the Internal Audit Department ("CAE"). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present.

In addition, the Committee: (1) will meet at least twice a year with the CAE for the purpose of reviewing audit activities, audit findings, management's response, remediation action plans, and providing the CAE with an opportunity to discuss items and topics of relevance with the Committee; (2) will meet at least twice a year with the Authority’s independent auditors to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the Authority’s CEO, COO, GC, CFO, CRO, Controller, or CAE on matters or issues and items within the Committee’s purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee’s discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law. Minutes of the meeting should include, at a minimum:

a. Date; location; time meeting was called to order and adjourned; and if other Board committee (e.g., Finance Committee) is meeting simultaneously.

b. Title and name of attendees; public comments period; title and name of public speakers.

c. Approval of the official proceedings of the previous month's Committee meeting.

d. Pre-Approval of audit and non-auditing services as appropriate, all auditing services and non-audit services to be performed by independent auditors will be presented to and pre-approved by the Committee:
   1. External Audit Approach Plans: Independent auditor presents approach/service plan, which is to be submitted to the Committee electronically;
   2. Internal Audit Activity Report: CAE provides overview of Internal Audit activities; and
   3. Risk Management: CRO provides an overview of Risk Management activities.

e. Follow-up items including communications to the Committee of the current status of selected open issues, concerns, or matters previously brought to the Committee’s attention or requested by the Committee.

f. Status of audit activities, as appropriate; representatives of the certified independent accounting firm or agency management will discuss with the Committee significant audit
findings/issues, the status of on-going audits, and the actions taken by agency management to implement audit recommendations.

g. Copies of handouts or materials presented to the Committee.

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.

C. FUNCTIONS AND POWERS

The Committee has the following responsibilities:

(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 staff and the retention of external advisors subject to the requirements of the Public Authorities Law and the Authority's Expenditure Authorization Procedures. The Committee may communicate directly with the CEO.

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) Accounting, Financial Reporting, and Oversight of Independent Accountants and Controller

The Committee will seek to enhance the integrity, quality, reliability and accuracy of the Authority's financial statements and accompanying notes, and will oversee the relationship with the Authority's independent accountants. To accomplish these objectives, the Committee will:

a. Provide advice to the Trustees on the selection, engagement, compensation, evaluation and discharge of the independent accountants.

b. Review and discuss as necessary the Authority's financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller, or members of Authority management.

c. Review and approve the Authority's annual audited financial statements (including the independent accountants' associated management letter).

d. Oversee the establishment of procedures for the effective receipt and treatment of (i) complaints regarding auditing, internal auditing and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.

e. Review at least annually the scope, objectives and results of the independent auditors' examination of the annual financial statements and accompanying notes, and report to the Trustees on the Committee's findings.
f. Assure the independence of the independent accountants by approving any non-audit work by them for the Authority and examining the independent auditor’s relationship with the Authority.
g. Report to the Trustees on any matters relevant to the audit process or independent accountant communications, and make such recommendations as the Committee deems appropriate.

(3) Risk Management, Internal Controls and Oversight of the Internal Audit Department

The Committee will seek to enhance the Authority’s risk management infrastructure, and ensure timely and effective identification and mitigation of critical business risks. To accomplish these objectives, the Committee will:

a. Have authority over appointment, dismissal, compensation and performance reviews of the CAE. The CAE will report directly to the Committee.
b. Review the charter, activities, staffing and organizational structure of the Internal Audit Department with management and the CAE.
c. Ensure that the Internal Audit Department is organizationally independent from Authority operations.
d. Provide oversight of the Internal Audit Department and its resources and activities to facilitate the Internal Audit Department’s improvement of internal controls.
e. Review Internal Audit reports and recommendations of the CAE. This review will include a discussion of significant risks reported in the Internal Audit reports, and an assessment of the responsiveness and timeliness of management’s follow-up activities pertaining to the same.
f. Require the CAE to attend any meeting of the Committee and to prepare and deliver such reports as the Committee requests.
g. Provide guidance to the Authority’s CRO and enterprise risk management program on critical business objectives, risks and philosophy and tolerance for risk mitigation, and establish requirements for the CRO to report to the Committee.
h. Report at least annually to the Board of Trustees on matters relating to the internal audit function and the enterprise risk management program, and make such recommendations as the Committee deems appropriate.
i. Present periodic reporting to the Board on how the Committee has discharged its duties and met its responsibilities, and regularly report activities, issues and recommendations.
j. Review the Committee’s charter annually, reassess its adequacy, and recommend any proposed changes to the Board.
k. Conduct an annual self-evaluation of performance, including its effectiveness and compliance with the charter.
FINANCE COMMITTEE CHARTER

A. PURPOSE

The purpose of the Finance Committee (“Committee”) is to provide guidance to the Board of Trustees and management concerning financial matters of the Authority; review proposals for the issuance of debt by the Authority; and perform such other responsibilities as the Trustees shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) CommitteeComposition

The Committee shall be comprised of not less than three independent members of the Board of Trustees. All members shall possess the necessary skills to understand the duties and functions of the Committee. Committee members and the Committee Chair shall be selected by a vote of the Board of Trustees.

(2) Term

Committee members shall serve for a period of five years subject to their term of office under the Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold a regular meeting at least once annually and may meet more often as needed to fulfill its responsibilities. 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, Executive Vice President and Chief Operating Officer, Executive Vice President and General Counsel, Executive Vice-President and Chief Financial Officer, Senior Vice President – Corporate Planning and Finance, or Treasurer.
An agenda shall be prepared and distributed to each Committee member prior to each such meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. A majority of the total Committee composition established pursuant to section B(1) of this Charter 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.

C. FUNCTIONS AND POWERS

The Committee shall provide guidance to the Board of Trustees and management concerning the Authority’s practices relating to capital structure, debt issuances, interest rate risk management, and such other financial matters as the Board of Trustees shall assign to it.

The Committee shall review proposals for the issuance of Authority debt and the use of any related financial derivative instruments and make appropriate recommendations to the Board of Trustees.

The Committee may call upon the resources of the Authority to assist the Committee in the discharge of its responsibilities.
FINANCE COMMITTEE CHARTER

A. PURPOSE

The purpose of the Finance Committee (“Committee”) is to provide guidance to the Board of Trustees and management concerning financial matters of the Authority; review proposals for the issuance of debt by the Authority; and perform such other responsibilities as the Trustees shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of not less than three nor more than five independent members of the Board of Trustees. At least three members of the Committee shall be independent members of the Trustees. All members shall possess the necessary skills to understand the duties and functions of the Committee. Committee members and the Committee Chair shall be selected by a vote of the Board of Trustees.

(2) Term

Committee members shall serve for a period of five years subject to their term of office under the Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold a regular meeting at least once annually and may meet more often as needed to fulfill its responsibilities. 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, Executive Vice President and Chief Operating Officer, Executive Vice President and
General Counsel, Executive Vice-President and Chief Financial Officer, Senior Vice President – Corporate Planning and Finance, or Treasurer.

An agenda shall be prepared and distributed to each Committee member prior to each such meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. A majority of the total Committee composition established pursuant to section B(1) of this Charter 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.

C. FUNCTIONS AND POWERS

The Committee shall provide guidance to the Board of Trustees and management concerning the Authority’s practices relating to capital structure, debt issuances, interest rate risk management, and such other financial matters as the Board of Trustees shall assign to it.

The Committee shall review proposals for the issuance of Authority debt and the use of any related financial derivative instruments and make appropriate recommendations to the Board of Trustees.

The Committee may call upon the resources of the Authority to assist the Committee in the discharge of its responsibilities.
A. PURPOSE

The Cyber and Physical Security Committee (“Committee”) oversees and monitors physical and cyber security management processes. The responsibilities of the Committee are to: advise the Board of Trustees (“Board”) and other Board committees on physical and cyber security matters and keep the Board and committees informed of current best security practices; engage with the New York Power Authority’s (“Authority”) management on alignment of security strategy and business objectives, company policies, organizational security initiatives, and review of compliance with physical security and information technology laws and regulations; recommend actions to promote sound planning by the Authority to protect its physical assets, cyber systems and information; and perform other responsibilities as the Board may assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of at least three independent members of the Board, who possess the necessary skills to understand the duties and functions of the Committee and be familiar with physical or cyber security. Committee members and the Committee Chair will be selected by a vote of the Board.

Committee members are prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

(2) Term

Committee members will serve for a period of five years subject to their term of office under Public Authorities Law -§ 1003. Committee members may be reelected to serve for additional periods of five 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 will be selected to serve in the manner and for the term described above.
(3) **Removal**

A Committee member may be removed if he or she is removed as a Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) **Meetings and Quorum**

The quorum of the Committee is a majority of the number of regular Committee members selected by the Board of Trustees.

A majority vote of all Committee members present is required to take action on a matter.

The Committee shall hold regularly scheduled meetings as it determines necessary to carry out its responsibilities. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority’s Chair, President and Chief Executive Officer (“CEO”), Executive Vice President and Chief Operating Officer (“COO”), Executive Vice President and General Counsel (“GC”), Chief Information Officer (“CIO”), Cyber Information Security Officer (“CISO”) or Chief Risk Officer (“CRO”). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present. The Committee may meet independently with the Authority’s CEO, COO, GC, CIO, CISO or CRO on matters or issues and items within the Committee’s purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee’s discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law. Minutes of the meeting should include, at a minimum:

a. Date; location; time meeting was called to order and adjourned; and if other Board committee (e.g., Finance Committee) is meeting simultaneously.

b. Title and name of attendees; public comments period; title and name of public speakers.

c. Approval of the official proceedings of the previous month’s Committee meeting.

d. Follow-up items including communications to the Committee of the current status of selected open issues, concerns, or matters previously brought to the Committee’s attention or requested by the Committee.

e. Status of security activities, as appropriate; representatives of the Authority’s management will discuss with the Committee security strategy, significant security issues, the status of security initiatives, and the actions taken by agency management to ensure compliance with legal and regulatory mandates related to physical and cyber security.
f. Copies of handouts or materials presented to the Committee.

g. Notwithstanding the foregoing, information identified by NYPA to be non-public due to its sensitivity shall not be included in the meeting minutes; a notation for non-public security information may be recorded in the minutes.

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.

C. FUNCTIONS AND POWERS

(1) General Powers and Governance Practices

The Committee shall seek to: (1) ensure the effectiveness of management’s monitoring of the Authority’s security posture and programs, the Authority’s compliance with its security policies and legal and regulatory mandates, and implementation of physical and cyber security controls; and (2) promote best security practices by Authority’s Board members, officers and employees. To accomplish these objectives the Committee shall:

a. Review the Authority’s Cyber Security Policy and Physical Security Program Policy and require the Corporate Secretary to coordinate revisions to such policies for consideration and approval by the Board.

b. Provide oversight and guidance to the Authority’s Chief Information Security Officer and Director Physical Infrastructure Security relating to the programs and policies of the Authority designed to address physical and cyber security.

c. Advise the Board on current best security practices and trends.

d. Report to the Board on matters relating to the Authority’s security posture and compliance with security and policies and legal and regulatory mandates, and make such recommendations to the Board as the Committee deems appropriate.

(2) Reports

The Chief Information Security Officer and the Director Physical Infrastructure Security shall report to the Committee at all regularly scheduled meetings.

The Committee shall have the authority to require Technical Compliance and Information Technology staff to prepare additional reports and to produce documents for Committee review.
### Service Tariff No. 200 Rate Comparison (Current vs. Proposed)

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<th>Service Classification</th>
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### Service Tariff No. 200 Demand Standby Rate Comparison (Current vs. Proposed)

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POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER
(CES)

to

FLEXO TRANSPARENT, LLC
The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Flexo Transparent, LLC ("Customer"), having facilities at 28 Wasson Street, Buffalo, NY 14210. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission ("FERC") Project No. 2216, known as “Expansion Power” (or “EP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, FERC Project No. 2216, known as “Replacement Power” (or “RP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, EP consists of 250 megawatts (“MW”) of firm hydroelectric power and associated firm energy produced by the Niagara Power Project;

WHEREAS, RP consists of 445 MW of firm hydroelectric power and associated firm energy produced by the Niagara Power Project;

WHEREAS, the Authority is authorized pursuant to PAL § 1005(13)(a) to award EP and/or RP based on, among other things, the criteria listed in the PAL, including but not limited to an applicant’s long-term commitment to the region as evidenced by the current and planned capital investment; the type and number of jobs supported or created by the allocation; and the state, regional and local economic development strategies and priorities supported by local units of governments in the area in which the recipient’s facilities are located;

WHEREAS, the Customer applied to the Authority for an allocation of hydropower to support operations at a new and/or expanded facility to be constructed and operated by the Customer (defined in Section I of this Agreement as the “Facility”);

WHEREAS, on July 25, 2017, the Authority’s Board of Trustees ("Trustees") approved a 300 kilowatt ("kW") allocation of RP to the Customer for a seven (7) year term (defined in Section I of this Agreement as the “Allocation”) in connection with the construction and operation of the Facility as further described in this Agreement;

WHEREAS, on July 25, 2017, the Trustees authorized the Authority to, among other things, take any and all actions and execute and deliver any and all agreements and other documents necessary to effectuate its approval of the Allocation;

WHEREAS, the provision of Electric Service associated with the Allocation is an
unbundled service separate from the transmission and delivery of power and energy to the Customer, and delivery service will be performed by the Customer’s local electric utility in accordance with the Utility Tariff;

WHEREAS, the Parties have reached an agreement on the sale of the Allocation to the Customer on the terms and conditions provided for in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009 which specifies the approval process for certain contracts negotiated by the Authority; and

WHEREAS, the Governor of the State of New York has approved the terms of this Agreement pursuant to PAL § 1009(3).

NOW THEREFORE, in consideration of the mutual covenants herein, the Authority and the Customer agree as follows:

NOW THEREFORE, the Parties hereto agree as follows:

I. Definitions

A. Agreement means this Agreement.

B. Allocation refers to the allocation of EP and/or RP awarded to the Customer as specified in Schedule A.

C. Contract Demand is as defined in Service Tariff No. WNY-1.

D. Electric Service is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-1 and the Rules.

E. Expansion Power (or EP) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(5) and (13).

F. Facility means the Customer’s facilities as described in Schedule A to this Agreement.

G. Firm Power is as defined in Service Tariff No. WNY-1.

H. Firm Energy is as defined in Service Tariff No. WNY-1.

I. FERC means the Federal Energy Regulatory Commission (or any successor organization).

J. FERC License means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.
K. **Hydro Projects** is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

L. **Load Serving Entity** (or **LSE**) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

M. **NYISO** means the New York Independent System Operator or any successor organization.

N. **NYISO Tariffs** means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

O. **Project** means the Niagara Power Project, FERC Project No. 2216.

P. **Replacement Power** (or **RP**) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(5) and (13).

Q. **Rules** are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

R. **Service Tariff No. WNY-1** means the Authority’s Service Tariff No. WNY-1, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

S. **Schedule A** refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

T. **Schedule B** refers to the Schedule B entitled “Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement.

U. **Schedule C** refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

V. **Schedule D** refers to the Schedule D entitled “Clean Energy Standard Cost Recovery Charges” which is attached to and made part of this Agreement.

W. **Substitute Energy** means energy that the Authority provides at the request of the Customer to replace hydroelectricity that would otherwise have been supplied to the Customer under this Agreement. Unless otherwise agreed upon by the Parties, Substitute Energy refers to energy purchased by the Authority for the Customer from markets administered by the NYISO.
X. **Taxes** is as defined in Service Tariff No. WNY-1.

Y. **Unforced Capacity (or “UCAP”)** means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

Z. **Utility Tariff** means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

II. **Electric Service**

A. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-1 and the Rules. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified on Schedule A.

B. The Authority will provide, and the Customer shall pay for, Electric Service with respect to the Allocation specified on Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall take and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

C. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-1.

D. The Customer acknowledges and agrees that Customer’s local electric utility shall be responsible for delivering the Allocation to the Facility specified in Schedule A, and that the Authority has no responsibility for delivering the Allocation to the Customer.

E. The Contract Demand for the Customer’s Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

F. The Contract Demand may not exceed the Allocation.

III. **Rates, Terms and Conditions**

A. Electric Service shall be sold to the Customer based on the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-1 and the Rules.

B. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30
days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority’s competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority’s bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. Any rate increase to Customer under this subsection shall be on a non-discriminatory basis as compared to other Authority customers after giving consideration to the factors set forth in the first sentence of this subsection. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

C. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-1 and the Rules, Electric Service shall be subject to the Clean Energy Standard Cost Recovery Charges provided for in Schedule D.

IV. Expansion Power and/or Replacement Power Commitments

A. Schedule B sets forth the Customer’s specific “Expansion Power and/or Replacement Power Commitments.” The commitments agreed to in Schedule B are in addition to any other rights and obligations of the Parties provided for in the Agreement.

B. The Authority’s obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer’s performance of the commitments described in Schedule B.

C. In the event of partial completion of the Facility which has resulted in such Facility being partly operational and the partial attainment of the Base Employment Level, the Authority may, upon the Customer’s request, provide Electric Service to the Customer in an amount determined by the Authority to fairly correspond to the completed portion of the Facility, provided that the Customer demonstrates that the amount of requested Electric Service is needed to support the operations of the partially completed Facility.

D. The Customer shall give the Authority not less than ninety (90) days’ advance notice in writing of the anticipated date of partial or full completion of the Facility. The Authority will inspect the Facility for the purpose of verifying the completion status of the Facility and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time after verification based on applicable operating procedures of the Authority, the Customer’s local electric utility and the NYISO.
E. In the event the Customer fails to complete the Facility by July 25, 2020 (i.e., within three (3) years of the Authority’s award of the Allocation), the Allocation, at the option and discretion of the Authority, may be canceled or reduced by the total amount of kilowatts determined by the Authority to fairly correspond to the uncompleted portion of the Facility, provided that in such event, and upon request of the Customer, such date may be extended by the Authority in its sole discretion.

V. Rules and Service Tariff

Service Tariff No. WNY-1, as may be modified or superseded from time to time by the Authority, is hereby incorporated into this Agreement with the same force and effect as if set forth herein at length. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-1 and the Rules, the provisions of Service Tariff No. WNY-1 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-1, the provisions of this Agreement shall govern.

VI. Transmission and Delivery of Firm Power and Firm Energy; Responsibility for Charges

A. The Customer shall be responsible complying with all requirements of its local electric utility that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff.

B. The Customer shall be solely responsible for paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff. Should the Authority incur any charges associated with such delivery service, the Customer shall reimburse the Authority for all such charges.

C. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority’s behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff (“NYISO Charges”), as set forth in Service Tariff No. WNY-1 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related. Such NYISO Charges shall be in addition to the charges for power and energy.

D. By entering into this Agreement, the Customer consents to the exchange of information between the Authority and the Customer’s local electric utility pertaining to the Customer that the Authority and the local electric utility determine is necessary to provide for the Allocation, sale and delivery of EP and/or RP to the Customer, the proper and efficient implementation of the EP and/or RP programs, billing related to EP and/or RP, and/or the performance of such parties’ obligations under any contracts or other arrangements between them relating to such matters.

E. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement or other form of understanding between the Authority and the
Customer’s local electric utility on terms and conditions that are acceptable to the Authority.

F. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, provide documentation, execute consents and provide other information (collectively, “Information”) which the Authority determines is necessary for the provision of Electric Service, the delivery of EP and/or RP, billing related to the EP and/or RP program, the effective and proper administration of the EP and/or RP program, and/or the performance of contracts or other arrangements between the Authority and the Customer’s local electric utility. The Customer’s failure to provide such Information shall be grounds for the Authority in its sole discretion to withhold or suspend Electric Service to the Customer.

VII. Billing and Billing Methodology

A. The billing methodology for the Allocation shall be determined on a “load factor sharing” basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer’s local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

B. The Authority will render bills by the 10th business day of the month for charges due for the previous month. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and other applicable charges.

C. The Authority may render bills to the Customer electronically.

D. The Authority and the Customer may agree in writing to an alternative method for the rendering of bills and for the payment of bills, including but not limited to the use of an Authority-established customer self-service web portal.

E. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

F. Unless otherwise agreed to by the Authority and the Customer in writing, if the Customer fails to pay any bill when due, an interest charge of two percent (2%) of the amount unpaid shall be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent (1 1/2%) of the sum unpaid shall be added on the first day of each succeeding billing period until the amount due, including interest, is paid in full.
G. Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. If at any time after commencement of Electric Service the Customer fails to make complete and timely payment of any two (2) bills for Electric Service, the Authority shall have the right to require the Customer to deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit shall be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. If the Customer fails or refuses to provide the deposit within thirty (30) days of a request for such deposit, the Authority may, in its sole discretion, suspend Electric Service to the Customer or terminate this Agreement.

I. All other provisions with respect to billing are set forth in Service Tariff No. WNY-1 and the Rules.

J. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

VIII. Hydropower Curtailments and Substitute Energy

A. If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of the Authority’s firm power customers served by the Authority from the Hydro Projects, curtailments (i.e. reductions) in the amount of Firm Power and Firm Energy associated with the Allocation to which the Customer is entitled shall be applied on a pro rata basis to all firm power and energy customers served from the Hydro Projects, consistent with Service Tariff No. WNY-1 as applicable.

B. The Authority shall provide reasonable notice to Customer of any curtailments referenced in Section VIII.A of this Agreement that could impact Customer’s Electric Service under this Agreement. Upon written request by the Customer, the Authority will provide Substitute Energy to the Customer to replace the Firm Power and Firm Energy that would otherwise have been supplied pursuant to this Agreement.

C. For each kilowatt-hour of Substitute Energy supplied by the Authority, the Customer will pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Billing and payment for Substitute Energy shall be governed by the Billing and Payments provision of the Authority’s Rules (Section 454.6) and shall apply directly to the Substitute Energy service supplied to the Customer.
D. The Parties may enter into a separate agreement to facilitate the provision of Substitute Energy, provided, however, that the provisions of this Agreement shall remain in effect notwithstanding any such separate agreement. The provision of Substitute Energy may be terminated by the Authority or the Customer on fifteen (15) days’ prior written notice.

IX. Effectiveness, Term and Termination

A. This Agreement shall become effective and legally binding on the Parties upon execution of this Agreement by the Authority and the Customer.

B. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (1) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (2) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-1, or the Rules; or (3) expiration of the Allocation by its own term as specified in Schedule A.

C. The Customer may exercise a partial termination of the Allocation upon at least thirty (30) days’ notice prior written notice to the Authority. The termination shall be effective commencing with the first billing period as defined in Service Tariff No. WNY-1.

D. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-1, or the Rules.

X. Additional Allocations

A. Upon proper application by the Customer, the Authority may in its discretion award additional allocations of EP or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (i) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (ii) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

B. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for additional allocations and consider the terms and conditions that should be applicable of any additional allocations.

XI. Notification

A. Correspondence involving the administration of this Agreement shall be addressed as
follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email:
Facsimile: ______
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Flexo Transparent, LLC
28 Wasson St.
Buffalo, NY 14210
Email:
Facsimile:
Attention:

The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XI.B of this Agreement.

B. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (1) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (2) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (3) if delivered by hand, with written confirmation of receipt; (4) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (5) if sent by electronic mail to the appropriate address as set forth above, with written confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

XII. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a).

XIII. Venue

Each Party consents to the exclusive jurisdiction and venue of any state or federal court within or for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement.
XIV. Successors and Assigns; Resale of Hydropower

A. The Customer may not assign or otherwise transfer an interest in this Agreement.

B. The Customer may not resell or allow any other person to use any quantity of EP and/or RP it has purchased from the Authority under this Agreement.

C. Electric Service sold to the Customer pursuant to this Agreement may only be used by the Customer at the Facility specified in Schedule A.

XV. Previous Agreements and Communications

A. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, representations, warranties, commitments, offers, contracts and writings, written or oral, with respect to the subject matter hereof.

B. Except as otherwise provided in this Agreement, no modification of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

XVI. Severability and Voidability

A. If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof.

B. Notwithstanding the preceding paragraph, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party’s interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

XVII. Waiver

A. Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter.

B. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

XVIII. Execution

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each
Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement by email as a PDF file shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]
AGREED:

FLEXO TRANSPARENT, LLC

By: _____________________________________________
Title: _____________________________________________
Date: _____________________________________________

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: ______________________________________________
    John R. Koelmel, Chairman
Date: _____________________________________________
<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility</th>
<th>Trustee Approval Date</th>
<th>Expiration Date</th>
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<td>Replacement Power</td>
<td>300</td>
<td>28 Wasson St., Buffalo, NY 14210</td>
<td>July 25, 2017</td>
<td>Seven (7) years from commencement of Electric Service of any portion of this Allocation.</td>
</tr>
</tbody>
</table>
EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

I. Employment Commitments

A. Employment Levels

The provision of EP and/or RP to the Customer hereunder is in consideration of, among other things, the Customer’s creation and/or maintenance of the employment level set forth in the Appendix of this Schedule (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (1) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (2) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for bona fide economic or management reasons.

The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s sole discretion.

B. Employment Records and Reports

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer’s Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice.
all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

II. **Reductions of Contract Demand**

A. **Employment Levels**

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in this Schedule B, for the subject calendar year, the Authority may reduce the Contract Demand subject to Article II.D of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

B. **Power Utilization Levels**

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement. If the average of the Customer’s six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-1) for Expansion Power and/or Replacement Power is less than 90% of the Customer’s Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to Article II.D of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

C. **Capital Investment**

The Customer agrees to undertake the capital investment set forth in the Appendix to this Schedule.

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer’s compliance with the Customer’s obligations provided for in this Schedule B.
D. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to this Schedule, the Authority shall provide the Customer with at least thirty (30) days prior written notice of such reduction, specifying the amount of the reduction of Contract Demand and the reason for the reduction, provided, however, that before making the reduction, the Authority may consider the Customer’s scheduled or unscheduled maintenance or Facility upgrading periods when such events temporarily reduce plant employment levels or electrical demand as well as business cycle.

III. Energy Efficiency Audits; Information Requests

Unless otherwise agreed to by the Authority in writing, the Customer shall undergo an energy efficiency audit of its Facility and equipment at which the Allocation is consumed at the Customer’s expense at least once during the term of this Agreement but in any event not less than once every five years. The Customer will provide the Authority with a copy of the audit or, at the Authority’s option, a report describing the results of the audit, and provide documentation requested by the Authority to verify the implementation of any efficiency measures implemented at the Facility.

The Customer agrees to cooperate to make its Facility available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform, if any, at the Authority’s own expense.

The Customer shall provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

The Customer may, after consultation with the Authority, exclude from written copies of audits, reports and other information provided to the Authority under this Article trade secrets and other information which if disclosed would harm the competitive position of the Customer.
APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

Within three (3) years of commencement of Electric Service, the Customer shall employ at least 125 full-time employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained thereafter for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT

The Customer shall make a minimum capital investment of $6,500,000 to construct and furnish the Facility (the “Capital Investment”). The Capital Investment is expected to consist of the following approximate expenditures on the items indicated:

- Building construction - $2,700,000
- Tann RTO oxidizer (used) - $500,000
- AAON units - $100,000
- Bobst color printing press (new) - $2,500,000
- Miscellaneous project costs and contingencies - $700,000

Total Minimum Capital Investment: $6,500,000

The Capital Investment shall be made, and the Facility shall be completed and fully operational, no later than July 25, 2020 (i.e., within three (3) years of the date of the Authority’s award of the Allocation). Upon request of the Customer, such date may be extended in the sole discretion of the Authority.
SCHEDULE C TO AGREEMENT FOR THE SALE OF EXPANSION POWER AND/OR REPLACEMENT POWER (CES)

TAKEDOWN SCHEDULE

N/A
CLEAN ENERGY STANDARD COST RECOVERY CHARGES

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-1 or the Rules, the Customer shall be subject to a (i) Zero Emission Credit (“ZEC”) Charge, and (ii) Renewable Energy Credit (“REC”) Charge (collectively, the “Clean Energy Standard Cost Recovery Charges”), as of the dates indicated herein. The Clean Energy Standard Cost Recovery Charges shall be in addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff No. WNY-1 and the Rules.

2. The Clean Energy Standard Cost Recovery Charges have been developed to support the Clean Energy Standard (“CES”) established by the New York Public Service Commission (“PSC”) in an order entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-270 (the “CES Order”). The CES is intended to implement the clean energy goals of the State Energy Plan (“SEP”). The SEP’s goals are that 50% of New York’s consumed electricity is to be provided by renewable electricity sources of power by 2030, and to reduce statewide greenhouse gases by 40% by 2030.

3. As detailed in the CES Order, the PSC established a regulatory program (the “CES Program”) which imposes two requirements on load serving entities (“LSEs”) identified in the CES Order (hereinafter, “Affected LSEs”):

   (1) An obligation to purchase “Zero Emission Credits” (“ZECs”) from the New York State Energy Research Development Authority (“NYSERDA”), in an amount representing the Affected LSE’s proportional share of ZECs calculated by the amount of electric load it serves in relation to the total electric load served by all LSEs in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is currently scheduled to commence on April 1, 2017, and will be implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).

   (2) An obligation to support renewable generation resources to serve the Affected LSE’s retail customers to be evidenced by the procurement of qualifying Renewable Energy Credits (“RECs”) in quantities that satisfy mandatory minimum percentage proportions of the total retail load served by the Affected LSE (the “REC Purchase Obligation”). Minimum purchase proportions for Affected LSEs for years 2017-2021 are specified in the CES Order, subject to

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1 Capitalized terms not defined in this Schedule D have the meaning ascribed to them in the Agreement, Service Tariff No. WNY-1, or the Rules.
adjustment after a 3-year look-back, and the PSC indicates it will adopt increasingly larger minimum purchase proportions for years 2022-2030. The REC Purchase Obligation is scheduled to commence January 1, 2017 and will be implemented on the basis of program years running from January 1 through December 31 of each year (“REC Program Year”).

4. The Authority is not subject to PSC jurisdiction for purposes of the CES Order. However, it supplies electricity to end-use customers throughout the State in a manner similar to an Affected LSE, and supports the clean energy goals of the SEP. Therefore, the Authority will participate in the CES Program as further explained herein by (i) assuming a ZEC Purchase Obligation, and (ii) adapting a form of the REC Purchase Obligation, through an Authority REC Program, to the end-user load for which the Authority serves as an LSE, including power sold under EP and RP Programs, for the purpose of implementing the CES and the SEP’s clean energy goals. The Authority’s participation in the CES Program as described will cause the Authority to incur costs. The ZEC Charge and the REC Charge are intended to recover from the Customer the costs the Authority will incur from purchasing ZECs and RECs that are attributable to Customer load served under this Agreement. By accepting Electric Service under the Agreement, the Customer agrees to reimburse the Authority for such costs through payment of the ZEC Charge and REC Charge.

5. **ZEC Charge**

   a. The Authority anticipates the ZEC Charge to the Customer will be determined as follows, subject to the qualifications provided for in other provisions of this Schedule D:

   i. The cost of the total ZEC Requirement for all LSEs in the New York Control Area, including the Authority as a participating LSE, will be assessed as described in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA. Its share will be based on the proportion of the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The Authority anticipates that LSE ZEC Purchase Obligations will be based on initial forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

   ii. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as LSE, including the EP and RP Programs (the “EP and RP Programs ZEC Cost”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP Programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for the ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation would be allocated to the EP
and RP Programs based on the proportion of the actual annual kilowatt-hours load served under such Programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

iii. The Authority will allocate a portion of the EP and RP Programs ZEC Cost to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP Programs (EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation mentioned above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP Program by the Authority (EP and RP Programs level load).

b. The ZEC Charge shall apply to the sale of EP and/or RP sold under this Agreement on and after April 1, 2017, unless by written notice the Authority specifies that the ZEC Charge shall apply to sales of EP and/or RP commencing on a later date.

6. REC Charge

a. The Authority anticipates the REC Charge to the Customer will be determined as follows, subject to the qualifications provided for in other provisions of this Schedule D:

i. Under the Authority REC Program, the Authority will, at a minimum, secure a sufficient number of RECs as required by the REC Purchase Obligation to cover the Customer’s load based on the percent of the Customer’s kilowatt-hour load as prescribed in the CES Order. The Authority will purchase RECs from NYSERDA or secure qualified RECs from one or more other sources in the Authority’s discretion.

ii. The Authority may, in its sole discretion, as part of the Authority REC Program, offer the Customer a “customer choice component” that would allow the Customer to elect one or more options in connection with the REC Purchase Obligation, such as (but not necessarily limited to) the following: (a) designate the Authority to secure RECs for the Customer’s load, and pay the Authority the REC Charge; (b) purchase the required number of qualifying RECs itself pursuant to an authorized Authority-developed process, thereby avoiding payment of the standard REC Charge; or (c) make a form of Alternative Compliance Payments (“ACPs”) as calculated by the Authority pursuant to an authorized Authority-developed process.

iii. The costs incurred by the Authority under the Authority REC Program that are attributable to the Customer’s load will be passed on to the Customer as the
REC Charge. Depending on the availability of the Customer’s kilowatt-hour load information and other data from third-party sources, the Customer will either be billed for actual costs or estimated costs subject to reconciliation adjustments.

b. The REC Charge shall apply to the sale of EP and/or RP sold under this Agreement on and after January 1, 2017, unless by written notice the Authority specifies that the REC Charge shall apply to sales of EP and/or RP commencing on a later date.

7. The Authority may, in its discretion, provide the Customer with additional information relating to the determination of the Clean Energy Standard Cost Recovery Charges by notice prior to the first billing of either charge, at the time of the first billing of either charge, or in another appropriate manner determined by the Authority.

8. The Authority may, in its sole discretion, modify the manner in which it participates in the CES Program, upon consideration of such matters as PSC orders modifying or implementing the CES Order and CES Program, guidance issued by the Department of Public Service, the Authority’s legal and financial obligations and polices, changes of law, and other information the Authority determines to be appropriate.

9. The Authority may, in its sole discretion, include the Clean Energy Standard Cost Recovery Charges as part of the bills that are rendered pursuant to Article VII of the Agreement, or bill the Customer for such Charges pursuant to another procedure to be established by the Authority.

10. The Authority may, in its sole discretion, modify the methodology used for determining the Clean Energy Standard Cost Recovery Charges and the procedures used to implement such charges, upon consideration of such matters as PSC orders modifying or implementing the CES Order and CES Program, guidance issued by the Department of Public Service, and any other matter the Authority determines to be appropriate to the determination of such methodology.

11. Nothing in this Schedule D shall limit or otherwise affect the Authority’s right to: (a) charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-1 or the Rules; or (b) charge the Customer, or recover from the Customer for, any cost, expense or other liability to the Authority resulting from any statutory enactment, or any action of the PSC or other governmental authority relating to the SEP or CES.
POWER AUTHORITY OF THE STATE OF NEW YORK  
30 SOUTH PEARL STREET  
ALBANY, NY 12207  

Schedule of Rates for Sale of Firm Power to Expansion and Replacement Customers located  
In Western New York  

Service Tariff No. WNY-1  

Date of Issue: June 1, 2015  
Date Effective: July 1, 2015  

Issued by James F. Pasquale, Senior Vice President  
Power Authority of the State of New York  
30 South Pearl Street, Albany, NY 12207
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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power (as defined below) directly to a qualified business Customer (as defined below) for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff

Agreement: An executed “Agreement for the Sale of Expansion and/or Replacement Power and Energy” between the Authority and the Customer (each as defined below).

Annual Adjustment Factor or AAF: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

Customer: A business customer who has received an allocation for Expansion Power and/or Replacement Power from the Authority and who purchases Expansion Power and/or Replacement Power directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power and/or Replacement Power: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.
**Firm Energy**: Energy (kWh) associated with Firm Power.

**Load Serving Entity** or **LSE**: This term shall have the meaning set forth in the Agreement.

**Load Split Methodology** or **LSM**: A load split methodology applicable to a Customer’s allocation. It is usually provided for in an agreement between the Authority and the Customer’s local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer’s local electric utility, or such local utility’s tariff, regarding the delivery of WNY Firm Power. The load split methodology is often designated as “Load Factor Sharing” or “LFS”, “First through the Meter” or “FTM”, “First through the Meter Modified” or “FTM Modified”, or “Replacement Power 2” or “RP 2”.

**Project**: The Authority’s Niagara Power Project, FERC Project No. 2216.

**Rate Year** or **RY**: The period from July 1 through June 30 starting July 1, 2013, and for any year thereafter.

**Rules**: The Authority’s rules and regulations set forth in 21 NYCRR § 450 et seq., as they may be amended from time to time.

**Service Tariff**: This Service Tariff No. WNY-1.

**Target Rate**: This term shall have the meaning set forth in Section III herein.

All other capitalized terms and abbreviations used but not defined herein shall have the same meaning as set forth in the Agreement.
III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

Beginning on July 1, 2013, there will be a 3-year phase-in to new base rates. The phase-in will be determined by the rate differential between the 2012 EP/RP rates and a “Target Rate.” The Target Rate, specified in Section III.A.1. below, is based on the rates determined by the Authority to be applicable in RY 2013 for sales of “preservation power” as that term is defined in PAL § 1005(13). The following Sections III.A.1-4 describe the calculation and implementation of the phase-in.

1. The initial rate point will be established by the EP/RP rates ($/kW and $/MWh), determined by mid-April 2012 and made effective on May 1, 2012 in accordance with the Authority’s then-applicable EP and RP tariffs. The Target Rate (i.e. demand and energy rates) for RY 2013 shall be $7.99/kW and $13.66/MWh.

2. The difference between the two rate points is calculated and divided by 3 to correspond with the number of Rate Years over which the phase-in will occur. The resulting quotients (in $/kW and $/MWh) are referred to as the “annual increment.”

3. The annual increment will be applied to the base rates for the 3-year period of the 2013, 2014 and 2015 Rate Years, which shall be as follows:

   RY 2013: July 1, 2013 to June 30, 2014
   RY 2014: July 1, 2014 to June 30, 2015
   RY 2015: July 1, 2015 to June 30, 2016

   The annual rate adjustments normally made effective on May 1, 2013 under then-applicable EP and RP tariffs will be suspended, such that demand and energy rates established in 2012 shall be extended through June 30, 2013.

4. Effective commencing in RY 2013, the Annual Adjustment Factor (“AAF”) described in Section V herein, shall be applied as follows:

   A. For the RY 2013 only, the AAF will be suspended, and the RY 2013 rate increase will be subject only to the annual increment.

   B. For the RYs 2014 and 2015, the AAF will be applied to the demand and energy rates after the addition of the annual increment to the rates of the previous RY rates. Such AAF will be subject to the terms and limits stated in Section V herein.

   C. Beginning in RY 2016, the AAF will be applied to the previous RY rates, and the annual increment is no longer applicable.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the
Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) and PAL § 1005(5) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average $/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average $/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The minimum monthly charge shall equal the product of the demand charge and the contract demand (as defined herein). Such minimum monthly charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer’s Allocation.

E. Estimated Billing

If the Authority, in its sole discretion, determines that it lacks reliable data on the Customer’s actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage (“Estimated Bill”).

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Customer’s Load Split Methodology as following:

• For Customers whose allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer’s Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer’s Takedown (kW) amount.

• For Customers whose allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer’s Takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer’s Load Split Methodology as following:

• For Customers whose allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer’s Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the Takedown (kW) amount at 70 percent load factor for that Billing Period.
For Customers whose allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the Takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer’s actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III B.D. shall apply to Estimated Bills.

The Authority’s discretion to render Estimated Bills is not intended to limit the Authority’s rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer’s facilities are located.

H. Billing Demand

The billing demand shall be determined by applying the applicable billing methodology to total meter readings during the billing period. See Section IV.E, below.

I. Billing Energy

The billing energy shall be determined by applying the applicable billing methodology to total meter readings during the billing period. See Section IV.E, below.

J. Contract Demand

The contract demand of each Customer will be the amount of Expansion Power and/or Replacement Power, not to exceed their Allocation, provided to such Customer by the Authority in accordance with the Agreement.
IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any billing period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority’s obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. If, as a result of reduced water flows caused by hydrologic conditions, there is insufficient energy from the Hydro Projects to supply the full power and energy requirements of NYPA’s Firm Power customers served from the Hydro Projects, hydropower curtailments (i.e. reductions) in the amount of Firm Power and Energy to which the Customer is entitled shall be applied on a pro rata basis to all Firm Power and Energy customers served from the Hydro Projects. Reductions as a percentage of the otherwise required Firm Power and Energy sales will be the same for all Firm Power and Energy customers served from the Hydro Projects. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods. The Customer will receive appropriate bill credits as provided under the Rules.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority’s designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology and Billing

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology to be used to render bills to the Customer related to its Allocation shall be determined in accordance with the Agreement and delivery agreement between the Authority and, as applicable, the Customer or local electric utility or both.
2. Billing Demand – The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the local utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the Load Split Methodology provided for in any contract between the Authority and the Customer’s local electric utility, any contract between the Authority and the Customer, or any contract between the Authority, the Customer and the Customer’s local electric utility for delivery of WNY Power. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy – The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the methodology provided for in any contract between the Authority and the Customer’s local electric utility for delivery of WNY Power.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Energy during any billing period the higher of either (i) the sum of (a), (b) and (c) below or (ii) the monthly minimum charge as defined herein:

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer’s billing demand (as defined in Section IV.E, above) for the billing period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer’s billing energy (as defined in Section IV.E, above) for the billing period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges (“NYISO Charges”)

The Customer shall compensate the Authority for the following NYISO Charges assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;
C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another third party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority’s discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.
G. **Rendition and Payment of Bills**

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing, and are subject to adjustment as provided for in the Agreement, Service Tariff No. WNY-1 and the Rules. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.

2. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

3. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

4. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its sole discretion to suspend Electric Service to the Customer or terminate this Agreement.

H. **Adjustment of Charges**

1. **Distribution Losses**

   The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. **Conflicts**

   The Authority’s Rules shall apply to the Electric Service provided under this Service Tariff. 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.

J. **Customer Resales Prohibited**

   The Customer may not resell any quantity of Expansion Power and/or Replacement Power.
V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year (“Index Value for the Measuring Year”) will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1”). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of ±5.0% (“±5% Collar”). Amounts outside the ±5% Collar shall be referred to as the “Excess.”

Index 1, “BLS Industrial Power Price” (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (“BLS”) electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

Index 2, “EIA Average Industrial Power Price” (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT (“Selected States”) as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration (“EIA”); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

Index 3, “BLS Industrial Commodities Price Less Fuel” (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year’s AAF, up to the ±5% Collar.
b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the ±5% Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. The Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended by the Parties to reflect, the Customer and the Authority shall mutually select a substitute Index. The Parties agree to mutually select substitute indices within 90 days, once notified by the other party that the indices are no longer available or no longer reflect the relevant factors or changes with the indices were intended by the Parties to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If unable to reach agreement on substitute indices within the 90-day period, the Parties agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI—Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.
B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
</tr>
<tr>
<td>March</td>
<td>171.6</td>
</tr>
<tr>
<td>April</td>
<td>173.8</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
</tr>
<tr>
<td>June</td>
<td>185.7</td>
</tr>
<tr>
<td>July</td>
<td>186.4</td>
</tr>
<tr>
<td>August</td>
<td>184.7</td>
</tr>
<tr>
<td>September</td>
<td>185.5</td>
</tr>
<tr>
<td>October</td>
<td>175.5</td>
</tr>
<tr>
<td>November</td>
<td>172.2</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
</tr>
<tr>
<td>Average</td>
<td>177.2</td>
</tr>
</tbody>
</table>

Ratio of MY/MY-1  

1.03
### Index 2 – EIA Industrial Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring Year (2012)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13,434,511</td>
<td>215,442,827</td>
<td><strong>6.24</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measuring Year -1 (2011)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>579,153</td>
<td>6,678,462</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,076,431</td>
<td>12,662,192</td>
<td></td>
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<tr>
<td>ME</td>
<td>310,521</td>
<td>4,626,886</td>
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</tr>
<tr>
<td>NH</td>
<td>298,276</td>
<td>2,817,005</td>
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<tr>
<td>NJ</td>
<td>1,370,285</td>
<td>15,217,237</td>
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</tr>
<tr>
<td>NY</td>
<td>1,891,501</td>
<td>24,928,452</td>
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<tr>
<td>OH</td>
<td>3,622,058</td>
<td>76,926,243</td>
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</tr>
<tr>
<td>PA</td>
<td>3,571,726</td>
<td>61,511,549</td>
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<tr>
<td>RI</td>
<td>144,144</td>
<td>1,561,700</td>
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<tr>
<td>VT</td>
<td>152,785</td>
<td>2,130,205</td>
<td></td>
</tr>
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<td><strong>TOTAL</strong></td>
<td>13,016,880</td>
<td>209,059,931</td>
<td><strong>6.23</strong></td>
</tr>
</tbody>
</table>

Ratio of MY/MY-1: 1.00
### Index 3 – Producer Price Index, Industrial Commodities Less Fuel

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year -1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>190.1</td>
</tr>
<tr>
<td>February</td>
<td>190.9</td>
</tr>
<tr>
<td>March</td>
<td>191.6</td>
</tr>
<tr>
<td>April</td>
<td>192.8</td>
</tr>
<tr>
<td>May</td>
<td>194.7</td>
</tr>
<tr>
<td>June</td>
<td>195.2</td>
</tr>
<tr>
<td>July</td>
<td>195.5</td>
</tr>
<tr>
<td>August</td>
<td>196.0</td>
</tr>
<tr>
<td>September</td>
<td>196.1</td>
</tr>
<tr>
<td>October</td>
<td>196.2</td>
</tr>
<tr>
<td>November</td>
<td>196.6</td>
</tr>
<tr>
<td>December</td>
<td>196.7</td>
</tr>
<tr>
<td>Average</td>
<td>194.4</td>
</tr>
</tbody>
</table>

**Ratio of MY/MY-1**: 1.02

### STEP 2

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td>0.255</td>
</tr>
<tr>
<td>AAF</td>
<td></td>
<td></td>
<td><strong>1.016</strong></td>
</tr>
</tbody>
</table>

### STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.
STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

<table>
<thead>
<tr>
<th></th>
<th>Demand $/kW-mo.</th>
<th>Energy $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
</tr>
</tbody>
</table>
July 7, 2010

Mr. James Pasquale
Senior Vice President
New York Power Authority
123 Main Street
White Plains, NY 10601

Dear Mr. Pasquale:

In our effort to establish shore power capability at the Brooklyn Cruise Terminal (BCT), the City of New York and the New York Power Authority agree to share the cost of supplying power to cruise ships (specifically, and limited to the Queen Mary II and the Caribbean Princess) berthing at the facility. The terms of the agreement are as follows:

- Carnival Cruise Line will pay 12 cents per kilowatt hour (kWh)
- NYPA and the City of New York will split the difference between 12 cents per kWh and the NYPA tariff rate
- The term of the deal is five years
- Any escalations would be covered by the City and NYPA in equal proportion

The City of New York, the Port Authority and NYPA will work together to reduce the Con Edison delivery rate.

The term of this agreement will commence on or about January 1, 2012, at which time the Port Authority will have completed the necessary landside infrastructure and the Queen Mary II and Caribbean Princess have been retrofitted to accept shore power connections.

Sincerely,

[Signature]
Madelyn Wils

AGREED TO:

[Signature]
James Pasquale,
Senior Vice President, Marketing and Economic Development
New York Power Authority
AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into as of the ___ day of January, between the City of New York (the "City") with its office located at City Hall, New York, NY 10007, and the New York Power Authority ("NYPA") with its office located at 123 Main Street, White Plains, NY 10601.

WITNESSETH

WHEREAS, the City and NYPA wish to collaborate to establish shore power capability at the facility commonly known as the Brooklyn Cruise Terminal (the "BCT"), which facility is owned by the Port Authority of New York and New Jersey (the "Port Authority") and leased by New York City Economic Development Corporation ("NYCEDC") pursuant to a certain Amendment and Restatement of Agreement of Lease dated as of January 1, 2009;

WHEREAS, pursuant to that certain New York Cruise Terminals Usage Agreement dated as of June 25, 2004 between NYCEDC and Carnival Corporation (as amended by that certain Amendment to New York Cruise Terminals Usage Agreement dated as of June 19, 2006 between NYCEDC and Carnival Corporation), two cruise lines that are subsidiaries of the Carnival Corporation, directly or indirectly, (i.e. Carnival plc, trading as Cunard Line ("Cunard") and Princess Cruise Lines, Ltd., ("Princess")), each have the right to berth cruise ships at the BCT, subject to the terms set forth in such agreement;

WHEREAS, the Port Authority expects to construct shore power infrastructure at the BCT and complete such construction in 2012;

WHEREAS, pursuant to an agreement to be entered into by NYCEDC, Cunard and Princess (the "Carnival Shore Power Agreement"), Cunard and Princess will, following the completion of construction of the shore power infrastructure at the BCT, cause their respective cruise ships, the Queen Mary 2 and the Caribbean Princess, to employ the shore power infrastructure when each such ship is berthed at the BCT and, in connection therewith, Cunard and Princess, as applicable, shall pay NYCEDC or its designee a fixed rate of $0.12 per Kilowatt hour (the "Carnival Rate") for the NYPA-supplied electricity used by its cruise ship;

WHEREAS, in furtherance of the shared goal of establishing shore power capability at the BCT, the City and NYPA are each willing to be responsible for paying, for a period not to exceed five (5) years, an equal portion of the difference between the Carnival Rate and the actual cost of providing shore power to the Queen Mary 2 and Caribbean Princess;

WHEREAS, NYCEDC, Cunard and Princess will agree, pursuant to the Carnival Shore Power Agreement, that the Carnival Rate will apply no earlier than January 1, 2013.
NOW, THEREFORE, the City and NYPA agree as follows:

1. From the date of the first use of the shore power infrastructure at the BCT by either the Queen Mary 2 or the Caribbean Princess on or after January 1, 2013, until the termination of this Agreement, NYPA and the City will each pay half of the difference between the cost of the electrical power consumed by the Queen Mary 2 and the Caribbean Princess when berthed at the BCT and drawing shore power (i) at the Carnival Rate and (ii) at the then applicable NYPA tariff rate.

2. From the date of this Agreement until the termination of this Agreement, NYPA and the City will work together to reduce the Con Edison delivery rate included in the NYPA tariff rate to ensure long-term viability of shore power in New York City.

3. This Agreement shall terminate on December 31, 2017 or upon the expiration or earlier termination of the Carnival Shore Power Agreement, whichever comes first, in either case without the need for any further action by either of the parties hereto.

4. NYPA and the City shall adopt mutually acceptable billing procedures to effectuate the sharing of the costs described in Paragraph 1. NYPA shall not seek recovery from the City of NYPA’s share of the costs described in Paragraph 1 through any tariff, the Long Term Agreement between the parties, or any other agreement under which NYPA provides services to the City. In addition, the City shall not seek recovery from NYPA of its share of the costs described in Paragraph 1 through any agreement between the City and NYPA.

5. No amendment, assignment or other modification of any of the terms of this Agreement shall be binding unless such amendment, assignment or other modification shall be in writing and executed by authorized officers of the parties hereto.

**CITY OF NEW YORK**

Authorized Representative: Stephen Goldsmith  
Title: Deputy Mayor for Operations

Signature: 
Date: 1/27/2011

**NEW YORK POWER AUTHORITY**

Authorized Representative: Richard M. Kessel  
Title: President and CEO

Signature: 
Date: 3/8/2011
Certificate of Appointment

Since the office of Executive Vice President and General Counsel very recently became vacant, I, Richard M. Kessel, President and Chief Executive Officer of the Power Authority of the State of New York (the “Authority”), in order to effectuate the Board of Trustees’ resolution adopted on October 26, 2010 authorizing the Authority's entry into a cost share agreement with New York City Economic Development Corporation for shore power at the Brooklyn Cruise Terminal as specified in said resolution, hereby appoint Judith McCarthy as Acting General Counsel and an officer of the Authority for the limited purpose of doing any and all things and taking any and all actions and delivering any and all agreements, certificates and other documents, including approving the form of all such documents, to effectuate such resolution.

Richard M. Kessel
President and Chief Executive Officer

February 2, 2011
EXHIBIT B

FIRST AMENDMENT
TO THE AGREEMENT BETWEEN
THE CITY OF NEW YORK AND NEW YORK POWER AUTHORITY

THIS AMENDMENT dated this day of __________, 2015 by and between the City of New York (the “City”) acting by the Department of Citywide Administrative Services (“DCAS”), located at One Centre Street, 17th Floor, New York, New York 10007, and the New York Power Authority (“NYP A”) with its office located at 123 Main Street, White Plains, NY 10601.

WITNESSETH:

WHEREAS, on or about January 31, 2011 the City and NYP A entered into an agreement concerning the payment of the cost of the electrical power consumed by two named cruise ships when berthed at the Brooklyn Cruise Terminal (the “BCT”) (“Agreement”); and

WHEREAS, the City and NYP A wish to further define its collaboration to establish shore power capability at the BCT; and

WHEREAS, pursuant to that certain New York Cruise Terminals Usage Agreement dated as of June 25, 2004 between the New York City Economic Development Corporation (“NYCEDC”) and Carnival Corporation (as amended by that certain Amendment to New York Cruise Terminals Usage Agreement dated as of June 19, 2006 between NYCEDC and Carnival Corporation), Carnival plc, trading as Cunard Line (“Cunard”) and Princess Cruise Lines, Ltd., (“Princess” and together with Cunard, the “Carnival Lines”), are two cruise lines that, directly or indirectly, are subsidiaries of the Carnival Corporation, and each of which continue to have the right to berth cruise ships at the BCT, subject to the terms set forth in such agreement; and

WHEREAS, the Port Authority of New York and New Jersey expects to complete construction of shore power infrastructure at the BCT by fall 2015; and

WHEREAS, pursuant to a certain agreement dated as of February 14, 2011 entered into by NYCEDC and the Carnival Lines (the “Carnival Shore Power Agreement”), the Carnival Lines (and additional Carnival Corporation Lines upon approval by NYCEDC) (collectively with the Carnival Lines the “Carnival Corporation Lines”) will, following the completion of construction of the shore power infrastructure at the BCT, cause certain of their respective cruise ships to employ the shore power infrastructure when such cruise ships are berthed at the BCT; and
WHEREAS, the Carnival Corporation Lines, as applicable, shall pay NYCEDC or its designee a fixed rate of $0.12 per Kilowatt hour (the “Carnival Rate”) for electric supply under the NYPa Service Tariff or any successor tariff; and

WHEREAS, currently there are no scheduled calls at the BCT through the end of 2017 for vessels with shore power capability outside of Carnival Corporation Lines (Non-Carnival Line”); and

WHEREAS, in the event that any Non-Carnival Line vessels schedule calls at the BCT prior to the end of 2017 and seek to employ shore power, NYCEDC will seek to enter into a shore power agreement with such Non-Carnival Line, so that upon the execution of any such agreement such vessels may employ shore power at the BCT (“Non-Carnival Shore Power Vessels”); and

WHEREAS, in furtherance of the shared goal of establishing shore power capability at the BCT, the City and NYPa are each willing to be responsible, over the period ending December 31, 2017, for an equal portion of the difference between the Carnival Rate and the cost of NYPa-supplied electricity providing shore power to the certain Carnival Corporation Lines cruise ships and Non-Carnival Shore Power Vessels as applicable; and

WHEREAS, NYCEDC and the Carnival Lines agreed, pursuant to the Carnival Shore Power Agreement, that the Carnival Rate was to apply no earlier than January 1, 2013.

NOW, THEREFORE, the City and NYPa agree as follows:

A. All capitalized words and expressions shall have the meaning ascribed to them in the Agreement, unless otherwise defined herein.

B. Paragraph 1 of the Agreement is deleted in its entirety and replaced with the following:

1. “From the date of the first use of the shore power infrastructure at the BCT by any Carnival Corporation Lines cruise ships or Non-Carnival Shore Power Vessels, as applicable, on or after January 1, 2013, until the termination of this Agreement on December 31, 2017, NYPa and the City will each cover half of the difference between the cost of the electrical power consumed by those ships when berthed at the BCT and drawing shore power (i) at the Carnival Rate and (ii) at the then applicable NYPa tariff rate, not to exceed a total of forty (40) calls per calendar year by the Carnival Corporation Lines cruise ships or Non-Carnival Shore Power Vessels, as applicable, or four hundred (400) hours per calendar year of use by the Carnival Corporation Lines cruise ships or Non-Carnival Shore Power Vessels, as applicable, whichever first occurs. A list of the current scheduled calls at the BCT through the end of 2015 of Carnival Corporation Lines cruise ships that have shore power capability is
listed on Exhibit A hereto. If the limits described in (ii) are exceeded by Carnival Corporation Lines and Non-Carnival Shore Power Vessels, cumulatively, applicable standard electric rates for electric supply under NYPA Service Tariff 100 or any successor tariff shall be applied. Upon NYPA’s request, the City shall provide to NYPA the information necessary to track the limits identified in this Paragraph I related to usage of shore power at the BCT by Carnival Corporation Lines cruise ships or Non-Carnival Shore Power Vessels.”

C. Except as modified herein, all other covenants, terms and conditions of the Agreement will remain unchanged and continue in full force and effect.

NEW YORK POWER AUTHORITY

By: _________________________

Title: _________________________

Date: _________________________

CITY OF NEW YORK
Department of Citywide Administrative Services

By: _________________________

Title: _________________________

Date: _________________________

Approved as to Form

Acting Corporation Counsel
Exhibit A

Shore Power Capable Carnival Corporation Lines Ships
Current Scheduled Calls at the BCT

1/3/2015 Brooklyn Queen Mary 2
5/10/2015 Brooklyn Queen Mary 2
6/3/2015 Brooklyn Queen Mary 2
6/21/2015 Brooklyn Queen Mary 2
7/14/2015 Brooklyn Queen Mary 2
7/30/2015 Brooklyn Queen Mary 2
8/4/2015 Brooklyn Queen Mary 2
8/19/2015 Brooklyn Queen Mary 2
9/4/2015 Brooklyn Queen Mary 2
9/21/2015 Brooklyn Caribbean Princess
9/26/2015 Brooklyn Regal Princess
9/27/2015 Brooklyn Queen Mary 2
10/3/2015 Brooklyn Regal Princess
10/10/2015 Brooklyn Regal Princess
10/17/2015 Brooklyn Regal Princess
10/24/2015 Brooklyn Regal
10/28/2015 Brooklyn Caribbean Princess
10/29/2015 Brooklyn Queen Mary 2
11/12/2015 Brooklyn Queen Mary 2
11/25/2015 Brooklyn Queen Mary 2
12/22/2015 Brooklyn Queen Mary 2
SECOND AMENDMENT
TO THE AGREEMENT BETWEEN
THE CITY OF NEW YORK AND NEW YORK POWER AUTHORITY

THIS AMENDMENT dated this day of , 2017 by and between the City of New York (the “City”) Department of Citywide Administrative Services (“DCAS”), located at One Centre Street, 17th Floor, New York, New York 10007, and the New York Power Authority (“NYPA”) with its office located at 123 Main Street, White Plains, NY 10601.

W I T N E S S E T H:

WHEREAS, on or about January 31, 2011 the City and NYPA entered into an agreement concerning the payment of the cost of the electrical power consumed by two named cruise ships when berthed at the Brooklyn Cruise Terminal (the “BCT”) (“Agreement”); and

WHEREAS, on or about October 2, 2015, the City and NYPA executed an Amendment to the Agreement (“First Amendment”) further defining its collaboration to establish shore power capacity at the BCT; and

WHEREAS, the City and NYPA wish to extend the terms of the Agreement and First Amendment; and

WHEREAS, pursuant to that certain New York Cruise Terminals Usage Agreement dated as of June 25, 2004 between the New York City Economic Development Corporation (“NYCEDC”) and Carnival Corporation (as amended by that certain Amendment to New York Cruise Terminals Usage Agreement dated as of June 19, 2006 between NYCEDC and Carnival Corporation), Carnival plc, trading as Cunard Line (“Cunard”) and Princess Cruise Lines, Ltd., (“Princess” and together with Cunard, the “Carnival Lines”), two cruise lines that, directly or indirectly, are subsidiaries of the Carnival Corporation, and each of which continue to have the right to berth cruise ships at the BCT, subject to the terms set forth in such agreement; and

WHEREAS, the Port Authority of New York and New Jersey has successfully completed construction of shore power infrastructure at the BCT; and

WHEREAS, pursuant to a certain agreement dated as of February 14, 2011 entered into by NYCEDC and the Carnival Lines (the “Carnival Shore Power Agreement”), the Carnival Lines (and additional Carnival Corporation Lines upon approval by NYCEDC) (collectively with the Carnival Lines the “Carnival Corporation Lines”) will, following the completion of construction of the shore power infrastructure at the BCT, cause certain of their respective cruise ships to employ the shore power infrastructure when such cruise ships are berthed at the BCT, the Carnival Corporation Lines, as applicable, shall pay
NYCEDC or its designee a fixed rate of $0.12 per Kilowatt hour (the “Carnival Rate”) for electric supply and delivery under the NYPA Service Tariff or any successor tariff; and

WHEREAS, in furtherance of the shared goal of providing shore power capability at the BCT, the City and NYPA are each willing to continue to be responsible, over the period ending December 31, 2022 or when NYPA’s cost share of five-million dollars ($5,000,000.00) for shore power is fully expended, whichever comes first, for an equal portion of the difference between the Carnival Rate and the cost of NYPA-supplied electricity providing shore power to the certain Carnival Corporation Lines cruise ships and Non-Carnival Shore Power Vessels as applicable; and

WHEREAS, NYCEDC and the Carnival Lines agreed, pursuant to the Carnival Shore Power Agreement, that the Carnival Rate was to apply no earlier than January 1, 2013.

NOW, THEREFORE, the City and NYPA agree as follows:

A. All capitalized words and expressions shall have the meaning ascribed to them in the Agreement and First Amendment, unless otherwise defined herein.

B. Except as modified herein, all other covenants, terms and conditions of the Agreement and First Amendment will remain unchanged and continue in full force and effect.

NEW YORK POWER AUTHORITY

By: _____________________________

Title: ____________________________

Date: ____________________________

CITY OF NEW YORK
Department of Citywide Administrative Services

By: _____________________________

Title: ____________________________

Date: ____________________________

Approved as to form
Certified as to legal authority
### Exhibit A

**Shore Power Capable Carnival Corporation Lines Ships**  
**Current Scheduled Calls at the BCT**

<table>
<thead>
<tr>
<th>Date</th>
<th>Ship Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/3/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>5/10/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>6/3/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>6/21/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>7/14/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>7/30/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>8/4/2015</td>
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<td>8/19/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>9/4/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>9/21/2015</td>
<td>Brooklyn Caribbean Princess</td>
</tr>
<tr>
<td>9/26/2015</td>
<td>Brooklyn Regal Princess</td>
</tr>
<tr>
<td>9/27/2015</td>
<td>Brooklyn Queen Mary 2</td>
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<tr>
<td>10/3/2015</td>
<td>Brooklyn Regal Princess</td>
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<tr>
<td>10/10/2015</td>
<td>Brooklyn Regal Princess</td>
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<tr>
<td>10/17/2015</td>
<td>Brooklyn Regal Princess</td>
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<tr>
<td>10/24/2015</td>
<td>Brooklyn Regal</td>
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<tr>
<td>10/28/2015</td>
<td>Brooklyn Caribbean Princess</td>
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<td>10/29/2015</td>
<td>Brooklyn Queen Mary 2</td>
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<td>11/12/2015</td>
<td>Brooklyn Queen Mary 2</td>
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<tr>
<td>11/25/2015</td>
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</tr>
<tr>
<td>12/22/2015</td>
<td>Brooklyn Queen Mary 2</td>
</tr>
<tr>
<td>Plant Site</td>
<td>Company Name</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>ENERGY SOLUTIONS -</td>
<td>R.G. VANDERWEIL ENGINEERS, PC</td>
</tr>
<tr>
<td>ENERGY EFFICIENCY</td>
<td>GOODMART, LLC</td>
</tr>
<tr>
<td>ENERGY SOLUTIONS -</td>
<td>HAGERMAN &amp; COMPANY, INC.</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>CANON SOLUTIONS AMERICA, INC.</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>HB COMMUNICATIONS, INC.</td>
</tr>
</tbody>
</table>

M / WBE: New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 Award Basis: B= Competitive Bid; S= Sole Source; Sl= Single Source; C= Competitive Search
2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service
## Proc Awards Exh A

**Procurement (Services) and Other Contracts – Awards**

(For Description of Contracts See “Discussion”)

EXHIBIT "A"

December 12, 2017

<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Name</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis</th>
<th>Expected Amount</th>
<th>Expected Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR &amp; ESS FACILITY MANAGEMENT</td>
<td>KINSLEY GROUP, INC. dba KINSLEY POWER SYSTEMS</td>
<td>01/01/18 (on or about)</td>
<td>Provide on-call generator services for the Centroplex Building</td>
<td>12/31/22</td>
<td>B/S</td>
<td>$44,700*</td>
<td>*Note: represents total for up to 5-year term</td>
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<tr>
<td>HR &amp; ESS - REAL ESTATE</td>
<td>WSP USA, CORP. dba WSP SELLS</td>
<td>01/01/18 (on or about)</td>
<td>Provide transmission corridor photogrammetric mapping support for Authority facilities on an as-needed basis</td>
<td>12/31/22</td>
<td>B/P</td>
<td>$2 million*</td>
<td>*Note: represents total award for up to 5-year term</td>
<td></td>
</tr>
</tbody>
</table>

### Award Basis 1
- B= Competitive Bid
- S= Sole Source
- Si= Single Source
- C= Competitive Search

### Contract Type 2
- P= Personal Service
- S= (Non-Personal) Service
- C= Construction
- E= Equipment
- N= Non-Procurement
- A= Architectural & Engineering Service
- L= Legal Service
<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Details</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis1</th>
<th>Contract Type2</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
<th>Expected Expenditures For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>UTILITY OPERATIONS - CIVIL / STRUTURAL ENGINEERING</td>
<td>Q17-6273JGM; 2 Awards 1. BERGMANN ASSOC., ARCHITECTS, ENG., LANDSCAPE ARCHITECTS &amp; SURVEYORS, DPC Rochester, NY 2. GOMEZ AND SULLIVAN ENGINEERS DPC Utica, NY</td>
<td>12/13/17 (on or about)</td>
<td>Provide the FERC Part 12 Dam Safety Inspection services for the Gregory B. Jarvis Power Project (FERC L.P. No. 3211-NY) and the Niagara Power Project (FERC L.P. No. 2216-NY)</td>
<td>12/12/22</td>
<td>B/S</td>
<td></td>
<td></td>
<td></td>
<td>$558,884*</td>
</tr>
<tr>
<td>UTILITY OPERATIONS - HEALTH &amp; SAFETY</td>
<td>ICAHN SCHOOL OF MEDICINE AT MT. SINAI New York, NY (Q17-6287JGM; PO#TBD)</td>
<td>12/13/17 (on or about)</td>
<td>Serve as the Authority’s Consulting Medical Director (CMD) and provide programmatic and medical consultation</td>
<td>12/12/22</td>
<td>B/P</td>
<td></td>
<td></td>
<td></td>
<td>$455,875*</td>
</tr>
<tr>
<td>UTILITY OPERATIONS - OPS SUPPORT SERVICES</td>
<td>CHA CONSULTING, INC. Buffalo, NY (PO# TBA)</td>
<td>11/10/17</td>
<td>St Lawrence Station Service Upgrades and Long Sault Dam Motor Control Center Replacements - FDR Power Project</td>
<td>11/09/19</td>
<td>Si/P</td>
<td></td>
<td></td>
<td></td>
<td>$500,000*</td>
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<tr>
<td>UTILITY OPERATIONS - OPS SUPPORT SERVICES</td>
<td>DCB ELEVATOR COMPANY, INC. Lewiston, NY (N17-20121128GJ; PO# TBA)</td>
<td>12/13/17 (on or about)</td>
<td>Provide elevator / escalator preventive maintenance on twenty five pieces of vertical lift equipment at the Niagara Power Project</td>
<td>12/12/21</td>
<td>B/S</td>
<td></td>
<td></td>
<td></td>
<td>$400,000*</td>
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</tbody>
</table>

*Note: represents aggregate total for up to 5-year term
*Note: represents total award for up to 5-year term
*Note: represents requested award amount for BGL
*Note: represents total for up to and not-to-exceed 4-year term

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<table>
<thead>
<tr>
<th>Plant Site</th>
<th>Company Name</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Expected Amount Expended For Life Of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>UTILITY OPERATIONS - TECHNICAL COMPLIANCE</td>
<td>NYS DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY SERVICES - OFFICE OF FIRE PREVENTION AND CONTROL (&quot;OFPC&quot;)</td>
<td>12/13/17 (on or about)</td>
<td>Provide annual Fire Inspection Services to the Authority for all NYS Canal Corporation owned buildings and includes training and consulting services on an as-needed basis</td>
<td>12/12/22</td>
<td>S/P</td>
<td></td>
<td></td>
<td>$100,000*</td>
<td>Note: represents aggregate total for up to 5-year term</td>
</tr>
<tr>
<td>UTILITY OPERATIONS - TRANSMISSION CENTRAL &amp; SENY</td>
<td>Q17-6158MS-1; 2 Awards</td>
<td>01/01/18 (on or about)</td>
<td>Provide services for the design, evaluation, repair, modification and upgrade of cranes required to maintain the Authority's critical infrastructure during daily and emergency power generation activities</td>
<td>12/31/22</td>
<td>B/S</td>
<td></td>
<td></td>
<td>$5,500,000*</td>
<td>Note: represents aggregate total for up to 5-year term</td>
</tr>
</tbody>
</table>

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## Procurement (Services) Contracts – Extensions and/or Additional Funding
(For Description of Contracts See "Discussion")

**EXHIBIT "B"**
December 12, 2017

<table>
<thead>
<tr>
<th>Plant Site/Bus. Unit</th>
<th>Company Name</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Authorized Expenditures For Life To Date</th>
<th><strong>Note 1:</strong> represents aggregate commitments to date</th>
<th><strong>Note 2:</strong> represents aggregate contract value requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFORMATION TECHNOLOGY STAFFING - SAP</td>
<td>10 pre-qualified firms:</td>
<td>01/01/18 (on or about)</td>
<td>Provide for services of specialized SAP temporary programming personnel, on an “as needed” basis</td>
<td>12/31/18</td>
<td>B/S</td>
<td>$7.7 million</td>
<td>$5.9 million*</td>
<td>$8.7 million**</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

1. **BAYFORCE TECHNOLOGY SOLUTIONS, INC.**
Tampa, FL
4600002753

2. **CARLYLE CONSULTING SERVICES, INC.**
New York, NY
4600002751

3. **ECLARO INTERNATIONAL, INC.**
New York, NY
4600003182

4. **EXPERIS US, INC.**
Milwaukee, WI
Q13-5484JR; PO# TBA

5. **GROM ASSOCIATES, INC.**
Flemington, NJ
4600002890

6. **MITCHELL MARTIN INC.**
New York, NY
4600002752

7. **SAGE GROUP CONSULTING, INC.**
Hazlet, NJ
4600002956

[continued on next page]

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### Procurement (Services) Contracts – Extensions and/or Additional Funding

(For Description of Contracts See “Discussion”)

#### EXHIBIT “B”
December 12, 2017

<table>
<thead>
<tr>
<th>Plant Site/Bus. Unit</th>
<th>Company</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Authorized Expenditures For Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFORMATION TECHNOLOGY STAFFING - SAP (continued)</td>
<td>[continued from prior page]</td>
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</tbody>
</table>

#### INFORMATION TECHNOLOGY STAFFING - SAP

8. SAPTA GLOBAL, INC. ♦
   dba ZEN4IT
   Woodbridge, NJ
   4600002764

9. SIERRA INFOSYS, INC. ♦
   Houston, TX
   Q13-5484JR; PO# TBA

10. UNIQUE COMP, INC. ♦
    Long Island City, NY
    4600002979

#### INFORMATION TECHNOLOGY STAFFING

15 awards:

1. 22ND CENTURY TECHNOCLOGIES, INC.
   Somerset, NJ
   4600003024

2. ARTECH INFORMATION SYSTEMS, LLC
   Morristown, NJ
   4600003026

3. CARLYLE CONSULTING SERVICES, INC.
   New York, NY
   4600003027

4. CLARUSTEC, INC.
   Edison, NJ
   4600003028

[continued on next page]

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**Note 1:** represents aggregate commitments to date

**Note 2:** represents aggregate contract value requested
## Procurement (Services) Contracts – Extensions and/or Additional Funding

(For Description of Contracts See “Discussion”)

**EXHIBIT “B”**  
December 12, 2017

<table>
<thead>
<tr>
<th>Plant Site/ Bus. Unit</th>
<th>Company Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis¹</th>
<th>Compensation Limit</th>
<th>Contract Type²</th>
<th>Authorized Expenditures Expended To Date</th>
<th>Authorized Expenditures For Life Of Contract</th>
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<tbody>
<tr>
<td>INFORMATION TECHNOLOGY STAFFING (continued)</td>
<td>[continued from prior page]</td>
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<tr>
<td>5. CMA CONSULTING ♦ SERVICES</td>
<td>Latham, NY 4600003039</td>
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<tr>
<td>6. DONNELLY &amp; MOORE ♦ INC.</td>
<td>New City, NY 4600003029</td>
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<td>7. ECLARO INTERNATIONAL, INC.</td>
<td>New York, NY 4600003030</td>
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<td>8. GARNET RIVER, LLC</td>
<td>Saratoga Springs, NY 4600003031</td>
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<tr>
<td>9. INDOTRONIX INTERNATIONAL CORP.</td>
<td>Poughkeepsie, NY 4600003032</td>
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<td>10. MINDLANCE, INC.</td>
<td>Union, NJ 4600003033</td>
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<td>11. NEOTECRA, INC.</td>
<td>New York, NY 4600003034</td>
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<tr>
<td>12. SOFTWARE GUIDANCE &amp; ASSISTANCE, INC.</td>
<td>Tarrytown, NY 4600003035</td>
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</table>

[continued on next page]

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1. **Award Basis:** B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source
2. **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service

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<thead>
<tr>
<th>Plant Site/ Bus. Unit</th>
<th>Company</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Award Basis</th>
<th>Contract Type</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
<th>Authorized Expenditures For Life Of Contract</th>
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</thead>
<tbody>
<tr>
<td>INFORMATION TECHNOLOGY STAFFING (concluded)</td>
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<tr>
<td>13. SYSTEM EDGE (USA), LLC ♦</td>
<td>Iselin, NJ (HQ) New York, NY (Branch Office)</td>
<td>4600003038</td>
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<tr>
<td>14. TRIGYN TECHNOLOGIES, INC.</td>
<td>Edison, NJ</td>
<td>4600003036</td>
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<tr>
<td>15. UNIQUE COMP, INC. ♦</td>
<td>Long Island City, NY</td>
<td>4600003037</td>
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<tr>
<td>OPERATIONS SENY</td>
<td>BGL ASSET SERVICES, LLC</td>
<td>4500276668</td>
<td>11/10/17</td>
<td>Cathodic Protection Services Project</td>
<td>B/C</td>
<td>$699,939</td>
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<td>$1,774,513*</td>
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<tr>
<td>OPERATIONS ST LAWRENCE</td>
<td>BERNIER, CARR &amp; ASSOCIATES ENGINEERS, ARCHITECTS AND LAND SURVEYORS PC</td>
<td>4500261111</td>
<td>01/01/18</td>
<td>Cathodic Protection Services Project</td>
<td>B/P</td>
<td>$75,000</td>
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<td>$304,067</td>
<td>$574,915*</td>
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<tr>
<td>UTILITY OPERATIONS MAINTENANCE AND REPAIR</td>
<td>NAES CORP. Carneys Point, NJ</td>
<td>4500133069</td>
<td>01/01/18</td>
<td>Operations and Maintenance Services at the Grahamsville Small Hydropower Plants</td>
<td>B/S</td>
<td>$866,991</td>
<td></td>
<td>$21,402,173*</td>
<td>$25,778,106**</td>
</tr>
</tbody>
</table>

*Note: represents current approved amount for BGL
NO ADDITIONAL FUNDING REQUESTED

*Note: represents current approved amount for BCA plus the $75,000 additional funding requested

*Note 1: represents amount invoiced to date
**Note 2: represents total contract value requested including additional funding request of $866,991
President and CEO Report

Gil Quiniones, President & Chief Executive Officer
NYPA’s Digital Vision

NYPA will become an end-to-end digital utility leveraging connectivity, big data and analytics to drive actionable business insight that enables us to better serve our customers, employees and other key stakeholders.

A NYPA that is:

- Digitized across our entire organization
- Managing data optimally
- Embracing digital channels to engage our customers
- Transparent and outcome oriented
- Digitally integrated with all elements of the energy ecosystem
- Responsive and adaptable to market changes, customer needs and the variability that accompanies greater use of wind, solar and other intermittent renewables

A NYPA that delivers:

- Innovative business models, products and enhanced customer service that make customers more successful
- Integrated and optimized generation, transmission and distributed energy resources
- Improved operating efficiency and optimized capital spend
- Enhanced employee safety and satisfaction
- Robust risk assessment and management
NYPA has created 8 digital workflows to support our end-to-end digital transformation

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Resource management</td>
<td>- Network-wide</td>
<td>- Virtual grid modeling</td>
<td>- Active cyber</td>
<td>- Supply chain</td>
<td>- Dynamic energy</td>
<td>- Decision support</td>
<td>- Behind-the-meter</td>
</tr>
<tr>
<td>- Work scheduling</td>
<td>- Investment optimization</td>
<td>- Substation automation</td>
<td>security monitoring,</td>
<td>management</td>
<td>risk monitoring,</td>
<td></td>
<td>- Electric vehicle integration</td>
</tr>
<tr>
<td>and status</td>
<td></td>
<td>- Dynamic line rating</td>
<td>assessment and</td>
<td>management</td>
<td>assessment and</td>
<td></td>
<td>- Digital channels (e.g. web,</td>
</tr>
<tr>
<td>- Mobile data access</td>
<td></td>
<td>- Fault detection,</td>
<td>management</td>
<td>management</td>
<td>management</td>
<td></td>
<td>mobile, chat, etc.)</td>
</tr>
<tr>
<td>- GIS-supported remote</td>
<td></td>
<td>- Isolation and</td>
<td></td>
<td></td>
<td>(operational and</td>
<td></td>
<td>- Customer digital</td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td>- Restoration</td>
<td></td>
<td></td>
<td>financial)</td>
<td></td>
<td>journey</td>
</tr>
<tr>
<td>- Wearables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Energy procurement</td>
</tr>
<tr>
<td>- Electronic work</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>and bill pay</td>
</tr>
<tr>
<td>package</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Energy efficiency/</td>
</tr>
<tr>
<td>- Engineering data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>conservation</td>
</tr>
<tr>
<td>management</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
The Digital Transformation Office will drive NYPA’s transition to a digital utility

NYPA has multiple business functions with differing business objectives. The pace at which we digitize will hinge on how we deploy resources into cross-functional digital programs. Determining where to invest depends on levels of technological maturity and the amount of change that can be absorbed.

Business leaders, subject matter experts and the IT organization will need to work together to ensure focus and effective prioritization of investments.

IT must clearly understand the digital transformation vision and roadmap to support new digital platforms and business activities. At the same time, business leaders need to support the digital strategy with internal staff, outside advisors, and trusted partners.

Most importantly, there needs to be defined digital business outcomes – objectives, key measures and results that are clearly communicated and understood by everyone in the business. This will ensure that NYPA is truly invested in the outcomes.

The Digital Transformation Office has been set up to drive NYPA’s digital transformation and ensure that the entire enterprise is working towards the same vision.
# NYPA Overall Performance – November 2017

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measure</th>
<th>Year-To-Date 2017</th>
<th>Status</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain Infrastructure</td>
<td>Generation Market Readiness (%)</td>
<td>99.40</td>
<td>Green</td>
<td>99.91**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transmission System Reliability (%)</td>
<td>95.59</td>
<td>Green</td>
<td></td>
<td>96.64</td>
</tr>
<tr>
<td>Financial Management</td>
<td>Debt Coverage (Ratio)</td>
<td>2.50</td>
<td>Green</td>
<td></td>
<td>5.37</td>
</tr>
<tr>
<td></td>
<td>O&amp;M Budget Performance ($ Millions)</td>
<td>463.0</td>
<td>Green</td>
<td></td>
<td>424.3</td>
</tr>
<tr>
<td>Energy Services</td>
<td>MMBTU’s Saved</td>
<td>473.0</td>
<td>Green</td>
<td></td>
<td>485.5</td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Investment in State Facilities ($ Millions)</td>
<td>86.9</td>
<td>Green</td>
<td>177.0</td>
<td></td>
</tr>
<tr>
<td>Workforce Management</td>
<td>Retention (# of Touchpoints)</td>
<td>900*</td>
<td>Red</td>
<td></td>
<td>1,571</td>
</tr>
<tr>
<td>Safety Leadership</td>
<td>DART Rate (Index)</td>
<td>0.78</td>
<td>Red</td>
<td></td>
<td>0.93</td>
</tr>
<tr>
<td>Environmental Responsibility</td>
<td>Environmental Incidents (Units)</td>
<td>30</td>
<td>Green</td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

** Quarterly measure

** Generation Market Readiness is currently being calculated for the YTD November. The expectation is that the number is not going to deviate from the previous months.
2017 initiative delivery continued the theme of NYPA’s digital transformation – putting the customer at the heart of our decision making.

- Customer Solutions
- Smart Generation & Transmission
- Asset Management
- Workforce Planning
- Knowledge Management / Process Excellence

- 10,000 Buildings connected to NYEM
- Integrated Smart Operations Center (ISOC) monitoring & diagnostic center completed
- Expertise search solution deployed to create knowledge repository
- Completed branding for attracting new talent to support NYPA’s future reputation and success
- AGILe lab established at NYPA HQ
- Deployed communications backbone connecting all NYPA core sites via a robust, secure communications network

NYPA: The Digital Utility

- Affordability
- Sustainability
- Reliability

Customers
### 2017 Key Strategic Initiative Milestones

**Customer Solutions**
- Fee Target of $20.7M: 76%
- Customer Digital Experience (CDEX): 75%
- Primavera: 57%
- New York Energy Manager - 1800 Buildings: 100%
- 96% complete

**Smart G&T**
- Communications Backbone: 85%
- Continuous Protection Monitoring System - BG: 80%
- Phasor Measurement Units - 60% deployed (+5 Sites): 65%
- 76% complete

**Asset Management**
- Strategic Asset Mgmt. Plan – Portfolio Optimization: 75%
- Asset Health Center – Flynn, Hydro sites: 75%
- Asset Data Analytics – 5 use cases: 60%
- Instrument Gap Assessment: 55%
- Integrated Smart Operations Center - ISOC: 100%
- 73% complete

**Process Excellence**
- Process Improvement Benefits to NYPA - $20mm: 80%
- Process Management Program: 80%
- 80% complete

**Knowledge Management**
- Enterprise Search Solution: 90%
- Expertise Location Solution: 90%
- 3 Knowledge Improvement Programs: 100%
- Knowledge Continuity: 100%
- 3 Communities Of Practice: 100%
- 96% complete

**Workforce Planning**
- Innovation Program: 95%
- Employee Value Proposition: 100%
- New Curriculum: 100%
- Mid-Year Reinvention: 100%
- 80% complete

**Key**
- **On track**
- **Some risk of missed deadline / will not be delivered in full**
- **Milestone will not be delivered this year**
- **Completed**
NYPA Risk Management

Soubhagya Parija
Chief Risk Officer, Senior Vice President

December 12, 2017
NYCC Risk Assessment

- Sources of Risk Information:
  - Canals Site Visits
  - Pre and Post integration work with KPMG and Risk Owners
  - Interviews with:
    - NYPA and Canals Subject Matter Experts
    - Consultants
    - Rizzo Asset Evaluation Report
    - Insurance Team Asset Review

- Validated Assessment findings:
  - Feedback from leadership
  - Performed Root Cause Analysis
NYCC Top Enterprise Risks

- Working with Canals Management, Finance, and Operations Teams
  - Review Budget Plan
  - Refine Permitting process
  - Risk transfers through Insurance products
  - Monthly Risk Meetings
  - Dedicated Risk Management Staff

*Velocity is represented by size of the bubbles*
What’s Next for NYCC

Today
- Reimagine Canals initiative
- Optimize Navigation Season
- Shed unnecessary assets
- Enhance early detection flood warning systems
- Staffing

Tomorrow
- Fully staffed expertise
- Multiple year preventive maintenance and CapEx plan
- Self Insurance of Workers Comp Program
- Removal of obsolete equipment

Future
- Canals Reimagined:
  - Well preserved National Landmark
  - Community Benefits
- Balance recreational aspect with valid business logic
- Business Resiliency

Whitehall Marina - Champlain Canal
Whitehall, NY
Risk Management is Working Across Multiple Fronts

Key Risk Management Activities

• Reputation Management Tool Kit
• Canals Risk Management
• Business Resiliency Stress Testing
• Business Continuity Plans
• Owner Controlled Insurance Program (OCIP)
Board of Trustees Meeting

Utility Operations Report

Joseph F. Kessler, P.E.
EVP & Chief Operating Officer

February 13, 2018
Performance Measures – YTD October 2017

Utility Operations

- **Generation Market Readiness**: 99.91% vs 99.40% (actual vs target YTD)
- **Transmission Reliability**: 96.41% vs 95.32% (actual vs target YTD)
- **Environmental Incidents**: 14 vs 27 (actual vs target YTD)
- **Dart Rate**: 0.95 vs 0.78 (actual vs target YTD)
Puerto Rico Recovery Update

• NYPA continues its active participation in relief efforts related to Hurricane Maria by working closely with NYS Investor Owned Utilities and NYS to coordinate mutual assistance;

• The NYS Electric Utility Contingency is 457 employees strong and supported by 330 utility vehicles;

• NYPA has currently deployed 27 employees and 37 utility vehicles/equipment.
NERC CIP Regulatory Audit

- NERC CIP regulatory audit is in progress;
- Audit team visited the St. Lawrence Power Project on November 15th – NYPA received positive feedback;
- Audit will continue at Clark Energy Center from December 11th through the 15th;
- NYPA self-reported three (3) issues to audit team – minimal impact – demonstrates culture of compliance;
- Summary of NYPA’s NERC CIP assets

<table>
<thead>
<tr>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>117</td>
<td>959</td>
<td>1,220</td>
<td>78</td>
<td>2,374</td>
</tr>
</tbody>
</table>
Utility Operation – Winter Readiness

• Transmission and generation teams conducted winter readiness exercises;
• Utility Operations is ready for the winter;
• Resources are adequate.
TLEM: Power Circuit Breaker Contract Award

Background
• Contract award to ABB to furnish and deliver power circuit breakers for northern region substations

Highlights
• Furnish and deliver the following circuit breakers:
  – Nine (9) 765kV
  – Two (2) 230kV
  – Twenty-four (24) 115kV
• $950k interim approval received in September to issue Notice-to-Proceed

Requested Trustee Action
• Ratify ten-year, $14.2 million contract award to ABB for procurement of high voltage circuit breakers
On-Call Program/PM Services – Contract Award

Background
• Contract awards to qualified program/project management firms to support infrastructure modernization, strategic initiatives and energy efficiency projects

Highlights
• Services to be rendered under these contracts include: Program/PM, EH&S, Project Controls, Construction Management
• Three (3) selected firms have required experience, local presence and satisfy M/WBE requirements

Requested Trustee Action
• Authorize five-year, contract awards not-to-exceed an aggregate total of $25 million
LPGP LEM – Funding Request

Background
• Trustees approved the $460 million LPGP LEM Program in June 2010
• Current approved expenditure authorization of $300 million

Highlights
• Complete overhaul of 12 pump-turbine units
• Seventh unit completed in October and eighth unit underway with scheduled completion in May 2018
• Program completion on schedule for December 2022

Requested Trustee Action
• Authorize remaining $160 million in capital expenditures for the LPGP LEM Program
RESOLUTION

Whereas, the New York State public and private utility workers who have been deployed to Puerto Rico are providing heroic technical and logistical expertise and are going to great lengths to restore electric service; and

Whereas, the staff of the New York Power Authority operations and management are demonstrating enormous leadership in this rescue effort, as they contend with the massive damage caused by hurricanes Irma and Maria. They are daily providing extraordinary examples of the public power mission in action and are writing another proud chapter in the Power Authority’s eminent history; and

Whereas, we are enormously grateful for what our transmission and distribution system experts from across New York State have already accomplished, as they bring back the lights of schools, homes, businesses, hospitals and municipal buildings in urban and rural areas across Puerto Rico; and

Whereas, the Power Authority workers are applying the many lessons gained from dealing with past storms in New York and will take the necessary steps to enable the Puerto Rican power system to be more resilient in the future; and

Whereas, each and every rescue worker from NYPA and the other New York utilities reveals a generosity of spirit in overcoming unimaginable challenges. They deeply care about helping our Puerto Rican brothers and sisters recover from the enormous hardships caused by the incredibly destructive storms that struck the island. They are true public servants;

Now, Therefore Be It Resolved, that the Trustees of the Power Authority of the State of New York express their deepest thanks and gratitude to the New York State delegation of utility workers who will be remembered throughout Puerto Rico for all they have accomplished over the past few months and what they will do in the future.

December 12, 2017
Commercial Operations Report

Jill C. Anderson, Chief Commercial Officer

December 12, 2017
## Commercial Ops: Wholesale

### Year to Date - October

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Usage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in twh</td>
<td>20.7</td>
<td>22.0</td>
</tr>
<tr>
<td><strong>Generation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in twh</td>
<td>24.8</td>
<td>23.6</td>
</tr>
</tbody>
</table>

### Electric Prices

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of Fuel</strong></td>
<td>$43.71</td>
<td>$44.84</td>
</tr>
</tbody>
</table>

### Fuel Prices

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of Fuel</strong></td>
<td>$3.15</td>
<td>$4.13</td>
</tr>
</tbody>
</table>

**Notes:**
- 6% increase in actual vs. budget for Customer Usage.
- 5% increase in actual vs. budget for Generation.
- 24% decrease in actual vs. budget for Fuel Prices.
Commercial Ops: Customer

<table>
<thead>
<tr>
<th></th>
<th>Year to Date - October</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td><strong>Customer Investments</strong></td>
<td>226.1</td>
</tr>
<tr>
<td><strong>Net NYPA Revenues</strong></td>
<td>15.9</td>
</tr>
</tbody>
</table>

**NY Energy Manager**
Currently over 11,000 buildings online

**NYS OMH Rockland Psych Center Phase II**
$9 Million Building Management System, Motor & Pump variable drives, Lighting, Chiller & HVAC project

Energy Efficiency upgrades at Rockland Psychiatric Center
Commercial Ops: IT / Cyber

**Information Technology**
Ensure stable ongoing operations while delivering key strategic initiatives.

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Keep Lights-on (NYPA &amp; Canals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Customer Digital Experience</td>
<td>• 2017 Help Desk Tickets Resolved</td>
</tr>
<tr>
<td>• Integrated Smart Ops Center</td>
<td>• Month: 1,419</td>
</tr>
<tr>
<td>• Strategic Supply Management</td>
<td>• Year-end projection: 17,033</td>
</tr>
<tr>
<td>• Human Resources</td>
<td>• 24/7 Help Desk live in October</td>
</tr>
<tr>
<td></td>
<td>• 300+ Application uptime – 99.99%</td>
</tr>
</tbody>
</table>

**Cyber Security**
NYPA participated in a national exercise designed to simulate a cyber/physical attack on electric and other critical infrastructures across North America called GridEx IV.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Total Job Commitment</th>
<th>Capital Investment ($)</th>
<th>Contract Term (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Syracuse Label Co., Inc.</td>
<td>North Syracuse</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Manufacturer of printing labels</td>
<td>200</td>
<td>100</td>
<td>86</td>
<td>2</td>
<td>88</td>
<td>$2,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>$2,000,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Oerlikon Metco (US) Inc.</td>
<td>Westbury</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of surface technologies</td>
<td>2,349</td>
<td>1,170</td>
<td>275</td>
<td>0</td>
<td>275</td>
<td>$5,000,000</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Seviroli Foods, Inc.</td>
<td>Garden City</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of pasta specialties</td>
<td>1,895</td>
<td>946</td>
<td>268</td>
<td>30</td>
<td>298</td>
<td>$5,200,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Long Island Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,116</td>
<td>543</td>
<td>30</td>
<td>573</td>
<td>$10,200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>AptarGroup, Inc.</td>
<td>Congers</td>
<td>Rockland</td>
<td>Mid-Hudson</td>
<td>ONR</td>
<td>Manufacturer of dispensing systems</td>
<td>1,139</td>
<td>566</td>
<td>209</td>
<td>0</td>
<td>209</td>
<td>$7,500,000</td>
<td>7</td>
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<tr>
<td>5</td>
<td>Speyside Holdings LLC</td>
<td>Highland Mills</td>
<td>Orange</td>
<td>Mid-Hudson</td>
<td>ONR</td>
<td>Crushed stone quarry</td>
<td>853</td>
<td>426</td>
<td>12</td>
<td>0</td>
<td>12</td>
<td>$3,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>992</td>
<td>221</td>
<td>0</td>
<td>221</td>
<td>$10,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Manitoba Corporation</td>
<td>Lancaster</td>
<td>Erie</td>
<td>Western New York</td>
<td>NYSEG</td>
<td>Recycling center for scrap metals</td>
<td>493</td>
<td>246</td>
<td>38</td>
<td>2</td>
<td>40</td>
<td>$125,000</td>
<td>7</td>
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<td></td>
<td>Western New York Region Sub-totals:</td>
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<td>246</td>
<td>38</td>
<td>2</td>
<td>40</td>
<td>$125,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,454</td>
<td>808</td>
<td>34</td>
<td>842</td>
<td>$22,825,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) These companies are also recommended for expansion-related allocations of RNY for separate and distinct job creation and capital investment commitments associated with proposed business expansions.
(2) This applicant was previously approved for a retention-based RNY power allocation. Due to load growth over time, and the company's ability to add additional jobs, the applicant is now being recommended for an additional incremental retention allocation.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Base Employment (1)</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Currier Plastics, Inc.</td>
<td>Auburn</td>
<td>Cayuga</td>
<td>Central New York</td>
<td>NYSEG</td>
<td>Manufacturer of plastic molded products</td>
<td>444</td>
<td>310</td>
<td>150</td>
<td>20</td>
<td>$9,900,000</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Green Empire Farms, Inc.</td>
<td>Oneida</td>
<td>Madison</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Hydroponic greenhouse farm</td>
<td>19,193</td>
<td>6,500</td>
<td>0</td>
<td>65</td>
<td>$42,010,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
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<tr>
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<td>IDEX Health &amp; Science LLC</td>
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<td>Monroe</td>
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<td>RGE</td>
<td>Research &amp; development of optofluidics</td>
<td>1,220</td>
<td>850</td>
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<tr>
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<td>Candid Litho Printing Ltd.</td>
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<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>High-tech printing &amp; graphics production</td>
<td>513</td>
<td>356</td>
<td>90</td>
<td>30</td>
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<td>Manufacturer of surface technologies</td>
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<tr>
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<td>AptarGroup, Inc.</td>
<td>Congers</td>
<td>Rockland</td>
<td>Mid-Hudson</td>
<td>ONR</td>
<td>Manufacturer of dispensing systems</td>
<td>250</td>
<td>176</td>
<td>209</td>
<td>20</td>
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<td>Orange</td>
<td>Mid-Hudson</td>
<td>ONR</td>
<td>Crushed stone quarry</td>
<td>853</td>
<td>596</td>
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<tr>
<td>8</td>
<td>Upstate Niagara Cooperative, Inc.</td>
<td>Campbell</td>
<td>Steuben</td>
<td>Southern Tier</td>
<td>NYSEG</td>
<td>Cheese production facility</td>
<td>5,000</td>
<td>3,500</td>
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<td>125</td>
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<td><strong>300</strong></td>
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</table>

1. All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
2. These companies are also being recommended for retention-based RNY Power allocations associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.
3. The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.
4. This applicant was previously approved for a retention-based RNY Power allocation. The base employment refers to the applicant’s retained jobs which are already associated with an existing power allocation.
## Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Capital Investment ($)</th>
<th>Contract Term (years)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple Acres, LLC</td>
<td>Lafayette</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Apple farm and orchard</td>
<td>145</td>
<td>70</td>
<td>25</td>
<td>0</td>
<td>$200,000</td>
<td>(1)</td>
</tr>
<tr>
<td>2</td>
<td>Copper John Corporation</td>
<td>Auburn</td>
<td>Cayuga</td>
<td>Central New York</td>
<td>NYSEG</td>
<td>Manufacturer of archery accessories</td>
<td>24</td>
<td>10</td>
<td>6</td>
<td>0</td>
<td>$200,000</td>
<td>(1)</td>
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<tr>
<td>3</td>
<td>North Ridge Dairy</td>
<td>Fulton</td>
<td>Oswego</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Dairy farm and milk production</td>
<td>355</td>
<td>176</td>
<td>42</td>
<td>0</td>
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<td>Central New York Region Sub-totals</td>
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<td></td>
<td>256</td>
<td>73</td>
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<tr>
<td>4</td>
<td>RT Solutions, LLC</td>
<td>Avon</td>
<td>Livingston</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Compost to soil agribusiness</td>
<td>41</td>
<td>20</td>
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<td>0</td>
<td>$166,800</td>
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<td>20</td>
<td>12</td>
<td>$166,800</td>
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<tr>
<td>5</td>
<td>Gilbert Displays, Inc.</td>
<td>Melville</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of custom exhibits &amp; displays</td>
<td>318</td>
<td>156</td>
<td>125</td>
<td>30</td>
<td>$1,000,000</td>
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<tr>
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<td>Kangadis Food Inc.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of olive oils</td>
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<td>96</td>
<td>59</td>
<td>23</td>
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<td>MMR Care Corp.</td>
<td>Farmingdale</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Rehabilitation and nursing center</td>
<td>205</td>
<td>100</td>
<td>138</td>
<td>0</td>
<td>$50,000</td>
<td>7</td>
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<tr>
<td>8</td>
<td>NYU Winthrop Hospital</td>
<td>Mineola</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>University-affiliated medical practices</td>
<td>543</td>
<td>180</td>
<td>216</td>
<td>0</td>
<td>$6,495,000</td>
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<td>9</td>
<td>NYU Winthrop Hospital</td>
<td>Mineola</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>University-affiliated medical practices</td>
<td>768</td>
<td>256</td>
<td>234</td>
<td>0</td>
<td>$2,768,000</td>
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<td>Topiderm Inc.</td>
<td>North Amityville</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of pharmaceutical products</td>
<td>253</td>
<td>126</td>
<td>239</td>
<td>0</td>
<td>$4,275,000</td>
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<td>Ulster</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Apple farm and orchard</td>
<td>187</td>
<td>90</td>
<td>20</td>
<td>0</td>
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<td>20</td>
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<td>Watertown</td>
<td>Jefferson</td>
<td>North Country</td>
<td>NGRID</td>
<td>Nursing home &amp; assisted living facility</td>
<td>649</td>
<td>216</td>
<td>261</td>
<td>0</td>
<td>$1,000,000</td>
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<td>Westelcom Network, Inc.</td>
<td>Watertown</td>
<td>Jefferson</td>
<td>North Country</td>
<td>NGRID</td>
<td>Data center for Internet service provider</td>
<td>158</td>
<td>76</td>
<td>22</td>
<td>0</td>
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<td>North Country Region Sub-totals</td>
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<td>292</td>
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Retention-Based Totals

|                         | 1,572 | 1,399 | 53  | $21,044,800 |

Page 3 of 5
## Expansion-Based Allocations

<table>
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<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation (3)</th>
<th>Base Employment</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (years)</th>
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<td>Apple Acres, LLC</td>
<td>Lafayette</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Apple farm and orchard</td>
<td>333</td>
<td>166</td>
<td>25</td>
<td>12</td>
<td>$5,637,500</td>
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<td>Copper John Corporation</td>
<td>Auburn</td>
<td>Cayuga</td>
<td>Central New York</td>
<td>NYSEG</td>
<td>Manufacturer of archery accessories</td>
<td>45</td>
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<td>4</td>
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<td>North Ridge Dairy</td>
<td>Fulton</td>
<td>Oswego</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Dairy farm and milk production</td>
<td>75</td>
<td>36</td>
<td>42</td>
<td>7</td>
<td>$1,785,500</td>
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<td>RT Solutions, LLC</td>
<td>Avon</td>
<td>Livingston</td>
<td>Finger Lakes</td>
<td>NGRID</td>
<td>Compost to soil agribusiness</td>
<td>125</td>
<td>60</td>
<td>12</td>
<td>8</td>
<td>$1,142,665</td>
<td>(1), (2)</td>
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<td><strong>Finger Lakes Region Sub-totals:</strong></td>
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<td></td>
<td></td>
<td>$1,142,665</td>
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<tr>
<td>18</td>
<td>Broadway National Group LLC</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Property management-related services</td>
<td>203</td>
<td>100</td>
<td>99</td>
<td>51</td>
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<td>Long Island</td>
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<td>Manufacturer of millwork solutions</td>
<td>159</td>
<td>76</td>
<td>42</td>
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<td>North Amityville</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of pharmaceutical products</td>
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<td>50</td>
<td>239</td>
<td>75</td>
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<td>Ulster</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Apple farm and orchard</td>
<td>100</td>
<td>50</td>
<td>20</td>
<td>8</td>
<td>$1,000,000</td>
<td>(1), (2)</td>
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<td><strong>Mid-Hudson Region Sub-totals:</strong></td>
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<td></td>
<td>$1,000,000</td>
<td></td>
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<tr>
<td>22</td>
<td>Bartell Machinery Systems, L.L.C.</td>
<td>Rome</td>
<td>Oneida</td>
<td>Mohawk Valley</td>
<td>NGRID</td>
<td>Manufacturer of industrial equipment</td>
<td>100</td>
<td>50</td>
<td>145</td>
<td>12</td>
<td>$5,400,000</td>
<td>(7)</td>
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<td><strong>Mohawk Valley Region Sub-totals:</strong></td>
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<td>$5,400,000</td>
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</tr>
<tr>
<td>23</td>
<td>The New York and Presbyterian Hospital</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Hospital &amp; ambulatory care center</td>
<td>2,000</td>
<td>666</td>
<td>0</td>
<td>409</td>
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<td><strong>New York City Region Sub-totals:</strong></td>
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<td>$1,112,677,560</td>
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<td>24</td>
<td>Resurgence Brewing Company, LLC</td>
<td>Buffalo</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Brewery for craft beer production</td>
<td>260</td>
<td>130</td>
<td>0</td>
<td>20</td>
<td>$2,500,000</td>
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<td><strong>Western New York Region Sub-totals:</strong></td>
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<td><strong>Retention &amp; Expansion-Based Totals:</strong></td>
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<td>$1,288,730,673</td>
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</tbody>
</table>

(1) These applicants are being recommended for both RNY retention and expansion-based allocations.
(2) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.
(3) All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
(4) There will be a base employment level associated with the applicant's RNY expansion-based allocation.
(5) This applicant is being recommended for an allocation at its facility located at 121 Mineola Blvd. in Mineola.
(6) This applicant is being recommended for an allocation at its facility located at 222 Station Plaza in Mineola.
(7) This applicant was previously approved for a retention-based RNY Power allocation. The base employment refers to the applicant’s retained jobs which are already associated with an existing power allocation.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Field Craft Farms LLC</td>
<td>Williamson</td>
<td>Wayne</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Dual-purpose cattle ranching &amp; farming</td>
<td>The facility lacks demand metering preventing RNY Power delivery and billing.</td>
</tr>
<tr>
<td>2</td>
<td>Tractor Supply Company</td>
<td>Frankfort</td>
<td>Herkimer</td>
<td>Mohawk Valley</td>
<td>Not Applicable</td>
<td>Distribution and warehousing services</td>
<td>The applicant is served by a municipal electric utility which is not in a position to accept and account for RNY Power to individual customers. In addition, the applicant already enjoys competitive electric rates by virtue of the utility’s receipt of low-cost NYPA hydropower.</td>
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<tr>
<td>3</td>
<td>GallopNYC</td>
<td>Forest Hills</td>
<td>Queens</td>
<td>New York City</td>
<td>CONED</td>
<td>Provider of therapeutic horsemanship programs</td>
<td>The facility lacks demand metering preventing RNY Power delivery and billing.</td>
</tr>
</tbody>
</table>

(1) Given the proposed disposition of these applications, the eligibility of these applicants for an RNY Power allocation has not been considered at this time.
### Applicants Recommended for an Award of Fund Benefits by the Western NY Proceeds Allocation Board

<table>
<thead>
<tr>
<th>Line</th>
<th>Business</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>Project Description</th>
<th>Project Type</th>
<th>Recommended Award Amount</th>
<th>Total Project Cost</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
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<tbody>
<tr>
<td>1</td>
<td>Quorum Group LLC</td>
<td>Medina</td>
<td>Orleans</td>
<td>Finger Lakes</td>
<td>Business Expansion</td>
<td>Business Investment</td>
<td>$150,000</td>
<td>$2,601,868</td>
<td>14</td>
<td>50</td>
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**Total Jobs Created & Retained:** 64
Western NY Power Proceeds Allocation Board  
Exhibit “B”

Criteria adapted from the Western NY Power Proceeds Allocation Board’s  
“Procedures for the Review of Applications for Fund Benefits”  

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.¹ The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:

- Promote “Smart Growth” by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
- Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
- Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
- Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
- Utilize Western New York’s proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve operational relationships; promote the attractiveness of WNY as a hub for global trade.

¹ As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “reinvitalization” projects.
Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.

Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.

Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.

Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.

Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to http://regionalcouncils.ny.gov/content/western-new-york.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located. The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: http://regionalcouncils.ny.gov/content/finger-lakes.

3. The number of jobs that would be created as a result of an award of Fund Benefits.

4. The applicant’s long term commitment to the region as evidenced the current and/or planned capital investment in applicant’s facilities in the region.

5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.

6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.

7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.

8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.

9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.

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2 As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.
10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
11. The extent of the applicant’s willingness to satisfy affirmative action goals.
12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
Western New York Economic Development Fund Recommendation Memo

EXHIBIT C

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**Applicant Name:** Quorum Group, LLC dba Takeform Architectural Graphics ("Quorum")

**REDC Region:** Finger Lakes

**Project Type:** Business Investment

**County:** Orleans

**Industry:** Graphic Design Products Manufacturer

**Locality:** Medina

**Amount Requested:** $250,000

**Start Date:** November 2017

**Finish Date:** October 2018

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**RECOMMENDED OFFER**

**Recommended Total Award:** $150,000

**Total Project Cost:** $2,601,868

**% of Project Cost Recommended:** 6%

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**PROJECT BUDGET (Proposed by Applicant)**

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<th>Use of funds</th>
<th>Amount</th>
<th>Source of Funds</th>
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</tr>
</thead>
<tbody>
<tr>
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<td>Machinery and Equipment</td>
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<td>Working Capital</td>
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<td>Furniture and Fixtures</td>
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<td>Construction Contingency Costs</td>
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<td>ESD Grant</td>
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<tr>
<td></td>
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<td>Orleans RLF</td>
<td>$120,000</td>
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**Total:** $2,601,868

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**REGIONAL IMPACT MEASUREMENTS**

**Job Commitments:** Applicant will retain a minimum of 14 full time equivalents ("FTE") at the project location, and create a minimum of 50 new FTE positions at the project location over five years.

**Average Salary of Jobs:** $43,000

**Indirect Jobs Created**

**Other Impact**
Western New York Economic Development Fund Recommendation Memo
EXHIBIT C

**PROJECT DESCRIPTION (Adapted from Application)**

Quorum plans to construct a 15,500 square foot addition to its existing facility to accommodate an expansion into the print business to include the design, manufacture and installation of such products as custom wall coverings and window films. The project would be comprised of approximately two thirds manufacturing space and one third office space, and include machinery, equipment, furniture and fixtures purchases as well as working capital.

**OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED**

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<thead>
<tr>
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<td>ESD:</td>
<td>$250,000 Grant</td>
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<td>NYS Office of Community Renewal:</td>
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<td>Economic Dev. Loan:</td>
<td>Orleans County IDA $120,000 RLF</td>
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<td>Other:</td>
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**PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED**

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<tbody>
<tr>
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</table>

**BASIS FOR RECOMMENDATION**

The Company is evaluating several options to increase capacity, including new construction, acquisition or leasing space in Orleans County. With almost 40% of its business located in the western states, and with a significant customer located in Arizona, Quorum reports that it is seriously considering other states for the expansion.

Quorum currently employs 142 in Medina and anticipates adding 50 people, at an average annual wage of $43,000, over the next five years. Thirty-two (64%) of the 50 created jobs would be made available to low and moderate-income persons.

If the company relocates operations to another state, 14 jobs would immediately be at risk with potential for the loss of more NYS-based jobs.

Supporting this project would help Orleans County to offset its high unemployment rate caused in part by several closures and downsizings in the agricultural and manufacturing industries. It would also complement substantial investment made by the County and Village of Medina to prepare for the development of several adjacent properties located along the Maple Ridge Road corridor.
The project aligns well with the goals and objectives of the Finger Lakes REDC, which in part emphasize job growth and retention along with increasing regional wealth, driving private investment and reducing poverty.

**ANTICIPATED DISBURSEMENT TERMS**

Fund Benefits would be used to reimburse the applicant for a portion of construction costs and machinery and equipment purchases. It is anticipated that funds will be disbursed in arrears in a manner proportionate to total eligible project expenses. Payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately $2.6M and is compliant with yearly job commitments.
Exhibit A

List of New York City Governmental Customers Requesting New Supplemental Long-Term Power Supply Agreements

City of New York (Exhibit ‘B’)

New York City Housing Authority (Exhibit ‘C’)

Port Authority of New York and New Jersey (Exhibit ‘D’)

Battery Park City Authority (Exhibit ‘E’)

Convention Center Operating Corporation (the Jacob K. Javits Convention Center of New York) (Exhibit ‘F’)

Empire State Development Corporation (Exhibit ‘G’)

Hudson River Park Trust (Exhibit ‘H’)

Roosevelt Island Operating Corporation (Exhibit ‘I’)

United Nations Development Corporation (Exhibit ‘J’)

SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT ("Agreement") dated as of November 17, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended ("NYPA") and the City of New York ("City"), a municipal corporation formed pursuant to the laws of the state of New York. NYPA and the City are referred to herein collectively, as the "Parties" and individually, as a "Party".

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and the City dated September 22, 1976 ("Application for Electric Service") and attached hereto as Exhibit B, NYPA supplies electricity to the City;

WHEREAS, effective as of March 18, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the "2005 Agreement"); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for the City, and the City agrees to remain a customer of NYPA subject to the terms set forth herein. The City will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. ("Con Edison") via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the City, NYPA will only charge the City for costs incurred by NYPA to provide power to the City, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, the City shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) The City agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) The City agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the City’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) Subject to any applicable regulatory and statutory compliance, the City, at its option, may work with NYPA to structure hedges for its portfolio, as provided in Section 5.9 below.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) The City may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) Either Party may terminate this Agreement with a termination date effective December 31, 2022, by giving the other party at least six (6) months prior written notification; and

(c) The Parties agree that the City will pay any and all outstanding Financial Obligations owed by the City under this Section 3.2 with interest, at the then-current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. Effect of Termination. In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full
accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

ARTICLE IV
FIXED, VARIABLE AND OTHER COSTS

4.1. Fixed Costs.

(a) Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement. The City’s Allocated Share of total annual Fixed Costs will be allocated to the City based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the City is 46.4 percent and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. If the City’s share of NYPAC’s 500 MW Plant is reduced or offset as set forth in Sections 5.5 or 5.6 herein, the City’s share of the ninety-seven million U.S. Dollars ($97,000,000) of Fixed Costs and Variable Costs associated with the 500 MW Plant will be decreased proportionately based on the amount of the City’s offset, on the date the City’s offset becomes effective. NYPAC’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPAC’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the City will continue to be responsible for its Allocated Share (46.4 percent) of the LSE Cost irrespective of any potential decreased allocation associated with the 500 MW Plant. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation under the initial allocation and under revised allocation scenarios described in Section 4.1(b). Fixed Costs include all services currently provided by NYPAC to the City, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPAC to the City of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The City’s Allocated Share of any costs identified in Schedule D is 46.4 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the City without its express written consent.

(b) In the event that one or more of the NYC Governmental Customers relinquishes a portion of, or its entire Allocated Share (a “Relinquished Allocated Share”), the Relinquished Allocated Share will be offered to NYC Governmental Customers as follows:
i. If only one NYC Governmental Customer elects to take a Relinquished Allocated Share, NYPA will redistribute such Relinquished Allocated Share to that customer, as illustrated in Scenario 3 of Schedule B.

ii. If more than one NYC Governmental Customer elects to take a Relinquished Allocated Share, such Relinquished Allocated Share will be distributed amongst those NYC Governmental Customers according to their respective Allocated Shares in effect at the time immediately prior to when the Relinquished Allocated Share becomes available, as illustrated in Scenario 4 of Schedule B.

iii. If none of the NYC Governmental Customers elects to take a Relinquished Allocated Share, NYPA will be responsible for the costs and will receive the revenues associated with that unclaimed Relinquished Allocated Share, as illustrated in Scenario 2 of Schedule B.

iv. During the calendar year 2020 process of revising the Allocated Shares for use in the calendar years 2021 and 2022, in revising the D9 Allocators pursuant to Section 4.1(a), any unclaimed Relinquished Allocated Share(s) as described under Section 4.1(b)(iii) will be used by NYPA as a substitute for determining the calculation of the NYC Governmental Customers’ total Allocated Shares, as illustrated in Scenarios 5 and 6 of Schedule B.

4.2. **Billing of Fixed Costs.** On an annual basis, the City’s Allocated Share of the Fixed Costs shall be apportioned between City sub-agencies based on the prior year’s annual energy (kWh) E1 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the City’s bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills. NYPA may charge the City separately for any incremental costs associated with a change in the methodology requested by the City. The City shall provide NYPA twelve (12) months prior written notice for such changes.

4.3. **Additional Reports Not Covered UnderFixed Costs.** Upon written request by the City, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the City separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the City’s energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the City. An illustrative example of Variable Costs is annexed hereto as
Schedule F. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to the City without its express written consent.

4.5. Renegotiation and Allocation of Fixed and Variable Costs. No later than January 1, 2022, the Parties shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the City’s allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. Transitional Costs. Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the City’s final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The City shall pay NYPA the City’s share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The City’s share of the Transitional Costs is 46.4 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, of which the City’s share is 45.6 percent.

4.7. Delivery Surcharge Exemptions and Costs for Third Party Services. Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. Costs for Third-Party Services to support positions taken by NYPA on behalf of the City are subject to the City’s prior approval. NYPA and the City will work together to determine whether any Third-Party Services provide incremental benefit to the City given its own rate case representation. If the City approves such Third-Party Services, these costs will be excluded from the Fixed Costs and recovered consistent with Schedule D. If the City does not approve such Third-Party Services, NYPA and the City will collaborate to coordinate their respective positions. The City’s Allocated Share of any costs identified in Schedule D is 46.4 percent through December 31, 2020, and subject to change thereafter pursuant to Section 4.1.

4.8. Zero Emission Credits and Con Edison Charges. Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the City as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, the City shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the City with
reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. **Pro-Rata Share of UCAP.** The City will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The City’s share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is 234 Winter MW and 208 Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. **Debt Service.** The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. **AEII Plant Agreement and Hydroelectric Facilities.**

(a) The Astoria Energy II (“AEII”) plant will continue to support the supply of energy and capacity to the City. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the City’s portfolio of dedicated resources and the costs associated with these facilities will not be charged to the City.

5.5. **Purchase of Renewable Market Products.** The Parties will pursue short-term and long-term renewable options for the benefit of the City. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases of such renewable resources elected by the City. The ten (10) percent cap set forth in Section 5.6 below shall not apply to purchases under this Section. Any purchases of renewable market products (e.g., energy, capacity or ancillary services) by the City, or by NYPa on behalf of the City, during the Term will offset NYPa provision of equivalent market products. The Parties agree that the City will pay any and all Financial Obligations owed by the City arising from such renewable market purchases. Purchases by NYPa for the City pursuant to this Section shall be subject to NYPa’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) The City will provide written notice to NYPa of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to the City’s proposed date for deliveries of such products to commence, and the City and NYPa will engage in a collaborative process to allow for NYPa to offset its provision of equivalent market products effectively. The City shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.
(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to the City in order to meet New York City and New York State renewable energy goals.

(c) Offsets from the 500 MW Plant as a result of the purchase of renewable resources hereunder shall reduce the City’s Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs, and will contemporaneously reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4 above.

(d) Once a reduction has been effectuated, upon request by the City, NYPA will offer back such offsets or reductions of the 500 MW Plant to the City, consistent with the terms in Sections 4.1 and 4.4, unless NYPA is negotiating a contract for, or has contracted for, the sale of the offset capacity and/or energy from the 500 MW Plant to another party, and as illustrated by the calculation example in Schedule B.

5.6. Right to Purchase Capacity/Electricity. Subject to the City paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, the City shall have the right to (a) directly purchase, in aggregate, up to ten (10) percent of its electricity requirements during the Term (in one or more increments) from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, the City may authorize NYPA to purchase up to ten (10) percent of the City’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. If the City makes such election to purchase under this Section 5.6, its Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs shall be reduced contemporaneously to reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4, above. Notwithstanding anything herein to the contrary, the ten (10) percent limitation shall not apply to clean on-site or renewable generation projects, which the City may pursue without limitation.

5.7. Pro-Rata Share of Transmission Congestions Contracts. Expiring Grandfathered Transmission Congestion Contracts ("TCCs") 189.2 and 190.2 under NYISO Open Access Transmission Tariff Schedule "L" (the "Lower Path") were converted to Historic Fixed Price Transmission Congestion Contracts ("HFPTCCs") in 2017. Consistent with NYISO notices and rules, the City received its pro-rated share of such Lower Path HFPTCCs, 257 MW. NYPA is recovering the costs associated with the City’s share of the 2017 HFPTCCs during 2017. Unless terminated at the City’s request based on annual election, Lower Path HFPTCCs will remain in place during the Term of this Agreement, and costs for such HFPTCCs in subsequent years will be recovered in equal monthly amounts during each calendar year of the Term. Should Grandfathered TCC numbers 189.1 and 190.1 under NYISO Open Access Transmission Tariff Schedule "L" (the "Upper Path") expire during the Term hereof, NYPA will endeavor to convert such Upper Path TCCs to HFPTCCs. If successful, NYPA will offer the City its pro-rated share of such TCCs in the same manner as described for the Lower Path HFPTCCs above, with interest, at the then current One-Year U. S. Treasury Bill Interest Rate. Each year NYPA will provide a projected cost/benefit analysis of the HFPTCC option at least two (2) months prior to when the
City has to (a) elect to purchase Upper Path HFPTCCs, or (b) terminate all or a portion of existing Lower or Upper Path HFPTCCs. If available, the City will have the option to purchase any HFPTCCs not purchased by other NYC Governmental Customers.

5.8. **Energy Charge Adjustment.** Variable Costs under Section 4.4 of this Agreement will be billed to the City via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment ("ECA") mechanism.

5.9. **Hedge Options.** At the City’s sole option, hedges may be developed through a consultative process with the City. Hedging Options include features such as caps, collars or other risk management techniques (to the extent consistent with the risk management policies adopted by NYPA’s Board of Trustees) specified by the City. The City may specify for modeling purposes the levels, confidence levels, volatility bands, and other parameters for each hedging option. The risk management strategies shall be designed to reduce potential volatility in variable fuel, purchased power, ancillary services, and other NYISO-related costs and offsetting revenues. Hedging Costs will be passed-through the ECA to the City as a Variable Cost. All hedging risks shall be borne by the City.

5.10. **Most Favorable Terms.** Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, the City may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Customers listed within Schedule G ("Comparable Customer"). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If the City exercises this option for such other terms and conditions, the City shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).

**ARTICLE VI**
**MISCELLANEOUS**

6.1. **2005 Agreement**

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;

ii. The 80/20 voting rule; and

iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the "Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)" executed on July 10, 2008, ("2008 Agreement") shall survive and remain in full force.
and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. **Approvals.** The execution of this Agreement will be contingent on the approval of City agencies with oversight of contracts, namely the New York City Corporation Counsel, the New York City Mayor’s Office of Contract Services, the New York City Office of Management and Budget, and registration in accordance with New York City Charter Section 328, and by NYPA's Board of Trustees.

6.3. **Notices.** All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission); if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):

NYPA General Counsel

If to the City, to:

City of New York
c/o Department of Citywide Administrative Services, Office of Energy Management
One Centre Street
New York, New York 10007
Attn: Deputy Commissioner of Energy Management

With copies to (at the same address):

Senior Energy Counsel, Office of the General Counsel

6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.
6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims
asserted by or against the City arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

6.16. **Participation in an International Boycott.**

(a) NYPA agrees that neither it nor any substantially-owned affiliated entity is participating or shall participate in an international boycott in violation of the provisions of the federal Export Administration Act of 1979, as amended, 50 U.S.C. Appendix. §§ 2401 et seq., or the regulations of the United States Department of Commerce promulgated thereunder.

(b) Upon the final determination by the Commerce Department or any other agency of the United States as to, or conviction of NYPA or a substantially-owned affiliated entity thereof, of participation in an international boycott in violation of the provisions of the Export Administration Act of 1979, as amended, or the regulations promulgated thereunder, the New York City Comptroller may, at his or her option, render forfeit and void this Agreement.

(c) NYPA shall comply in all respects, with the provisions of Admin. Code § 6-114 and the rules issued by the New York City Comptroller thereunder.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: [Signature]
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

CITY OF NEW YORK

By: [Signature]
Name: Anthony J. Fiore
Title: Deputy Commissioner, Department of Citywide Administrative Services – Energy Management

Signature Page
Long Term Power Supply Agreement
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the City or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“City” has the meaning set forth in the Preamble of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in “Schedule G”, at that same hour.

“E1 Allocator” means the customer’s total annual energy usage (kWh) as a proportion of the total of NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.
“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at the City’s direction, for which payment the City is responsible.

“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to the City, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA to the City of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Hedging Costs” means all the costs associated with the settlement of a hedging instrument that the City elects under Section 5.9 and includes the monthly settlements as well as any premiums associated with the purchase of an options contract. NYPA reserves the right to pass-through any credit costs associated with the establishment and support of collateral and margin plus any broker fees and commissions.

“Hedging Strategies” is defined in Section 5.9.

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the City’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8,000,000) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.
“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.


“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel, purchased power, hedging costs incurred by NYPAC to serve the City, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPAC as a result of additional resources procured by NYPAC for the City pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the City’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
POWER AUTHORITY OF THE STATE OF NEW YORK
10 COLUMBUS CIRCLE, NEW YORK, N.Y. 10019

APPLICATION FOR ELECTRIC SERVICE

CITY OF NEW YORK (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this application is accepted by Authority, firm power and energy will be supplied to Customer to the extent that Authority determines that it has capacity available to provide such power and energy. Firm power and energy expected to be available for sale soon pursuant to the applicable tariff will become available in part when the Authority's Indian Point No. 3 generating plant reaches commercial operation and additional firm power and energy will become available when the Authority's Astoria No. 6 plant is also in commercial operation. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Priority in the acceptance of application for the service requested in this application shall be given to the Metropolitan Transportation Authority, its subsidiary corporations, the New York City Transit Authority,
the Port Authority of New York and New Jersey, the City of New York, the State of New York, the United States, other public corporations within the metropolitan area of the City of New York within the State of New York and then to other exempt persons as defined in 26 U.S.C. 103 (c) (3), located in New York City and Westchester County to the extent feasible in accordance with Section 1005 of the Power Authority Act.

Priority with respect to the firm power and energy not sold to the entities listed above shall be afforded to electric companies serving New York City and Westchester County also in accordance with Section 1005 of the Power Authority Act.

(3) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchised territory Customers' facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this application and the furnishing of electric service hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Service Tariff, both as they may be later amended from time to time.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority
Act this application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer  City of New York

By  

Title  Municipal Service Administrator

(Date)  September 22, 1976

Accepted:

Power Authority of the State of New York

By  

Chairman

(Date)  September 22, 1976

(Attest)

By  

Sec'y

(Attest)
ACKNOWLEDGEMENTS

State of New York )
County of New York ) ss:

On this 22nd day of September, 1976, before me personally came
John T. Carroll, to me known, who being duly sworn, did depose and say that he resides in New York City, and that he is Administrator of the Municipal Service Administration of the City of New York, the municipal corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Estimate of said corporation and that he signed his name thereto by like order.

Eugene Margolis
Notary Public in the State of New York
Residing in the County of Westchester
My Commission expires 3/30/77

(Notarial Seal)
POWER AUTHORITY OF THE STATE OF NEW YORK
10 Columbus Circle, New York, N.Y. 10019

Service Tariff No. 16

Schedule of Rates for Firm Power Service

Applicable:

To sale of firm power and energy to customers who receive
delivery and service through the utility company in whose franchise
area customers' facilities are located.

Character of Service:

Alternating current; 60 hertz; 3 phase

Rates:

Rates for firm power and energy shall initially consist of:

(1) General Use - Small

   Energy Charge  3.16 cents per kilowatt hour

(2) General Use - Large

   Demand Charge  $6.24 per month per kilowatt of
                   billing demand

   Energy Charge  1.23 cents per kilowatt hour

(3) New York City Street Lighting

   Demand Charge  $6.42 per month per kilowatt of
                   billing demand

   Energy Charge  1.24 cents per kilowatt hour

(4) New York City Public Building Light and Power and Associated
    Service

   Demand Charge  $4.73 per month per kilowatt of
                   billing demand

   Energy Charge  1.23 cents per kilowatt hour

(5) Commercial and Industrial Redistribution

   Demand Charge  $7.86 per month per kilowatt of
                   billing demand

   Energy Charge  1.21 cents per kilowatt hour
(6) Multiple Dwelling - Redistribution

Demand Charge $7.98 per month per kilowatt of billing demand

Energy Charge 1.23 cents per kilowatt hour

Energy Charge Adjustment - The charges set forth herein shall be subject to a monthly adjustment per kilowatt hour provided hereunder when changes from the base cost of energy occur as described in Special Provision F.

(7) A delivery-service charge set forth in Appendices A, B, C, D, G and H of this Service Tariff and payable to Authority by Customer as reimbursement to the utility company providing delivery-service for the use of its facilities and for services rendered in conjunction with the delivery of power and energy to Customer.
Minimum Charge:

Customer shall be responsible for a minimum bill equal to:

(1) Where usage is measured by both demand and energy meters or where usage is unmetered, 75% of the product of the demand charge and the maximum monthly billing demand for the previous twelve months.

(2) Where usage is measured by energy meters alone, the charge for 10 kilowatt-hours of usage.

Such minimum bill shall be exclusive of minimum charges applicable to delivery service.

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.

Billing Period:

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

Payment:

Net bills computed under this Service Tariff for services rendered are due and payable at the office of the Authority within Fifteen (15) working days of the date of bill, subject to late payment in accordance with provision 454.6(b) of the Rules and Regulations for Power Service. In the event that there is a dispute on any items 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.
Should it be determined that the City of New York has overpaid any amount due from the net bill, the City shall be entitled to interest at a rate equivalent to that paid by the City to the Power Authority for late payments under this agreement from the date such overpayment was made.

Mo more than five (5) working days after the receipt of the net bill from PASNY it shall be the duty of the Administrator of the Municipal Service Administration or his designee to submit a voucher for payment to the Office of the Controller of the City of New York.
Power Factor:

Authority may require Customer normally to maintain power factor not less than 90%, lagging or leading, at the point of delivery.

Continuance and Termination of Service:

Initiation of service will be upon accepted application of Customer, under the procedure specified in the Rules and Regulations for Power Service.

Once initiated, service will continue until terminated by Authority pursuant to required notice as provided in the Rules and Regulations for Power Service. Customer may reduce or terminate service 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. Until actually terminated, the Minimum Charge provision of this tariff shall apply.

Special Provisions:

Special provisions for service supplementing or modifying the Rules and Regulations for Power Service are as follows:

A. **Installments** - Initial service may be in installments as Customer may require the power and energy or as Authority can make it available.

B. **Notice of Adjustments in Charges**

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 and Regulations for Power Service, it will notify Customer in writing of the revised charges not less than thirty (30) days in advance of the effective date thereof.

Authority shall notify Customer not less than thirty (30) days in advance of the effective date of adjustments in the delivery-service charge. Changes in energy charge adjustment will be indicated on the monthly bill without prior notice.

C. Apportionment of Charges When Customer is Delivered Power and Energy Provided by Authority and Power and Energy Provided by Utility Company

If the total firm power and energy delivered to the Customer is provided partly by the Authority and partly by the utility furnishing delivery-service the total charges to the Customer will be partly at the Authority's rates and partly at the utility's rates.

D. Change in Customer Requirement

Additional Power and Energy - Customer agrees to advise Authority on the first day of July of each year of its estimated overall power and energy requirements for the next succeeding five-year period.

If at any time during the term Customer shall determine that it will require firm power and energy in excess of its firm capacity allotment, Customer shall give Authority written notice of the amounts which and the date on which it desires such additional power and energy and shall include in such notification facts supporting such additional requirements. Within ninety (90) days after receipt of such notice, Authority shall
notify Customer of the amounts in which and the dates on which it determines, in its sole discretion, that it can make such additional power and energy available to Customer.

New, Enlarged or Altered Service - Customer shall give Authority and the utility providing delivery-service reasonable advance notice of the location of any requirement for a material increase in load such that adequate facilities may be provided. If the Authority determines it can serve the additional power and energy requested or the altered service, the Customer will deal with the appropriate representative of the utility with respect to the arrangements for a new delivery point or an enlarged or altered service at an existing delivery point. Any new, enlarged or altered delivery service required by Customer will be provided by the utility. When such delivery service requires facilities for which the utility would make a special charge to its own customers or would require the Customer to make the installation, Customer will compensate Authority, who will then reimburse the utility in an amount not to exceed the compensation which would be payable by a customer of the utility in comparable circumstances. Customer shall have the option of installing needed facilities at its own expense provided they meet the utility's specifications.

E. Transfer of Service - In the event that Customer desires to discontinue Authority electric service or Authority should find it necessary to discontinue electric service to Customer, transfer of such service from Authority to the utility in whose franchise area customer is located shall be effected, provided such customer
meets the utility's prerequisites for service, as set forth in the utility's filed Schedule for Electricity Service.

F. Energy Charge Adjustment

The charge for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" for the previous two months as stated herein increases or decreases from the specified base cost.

The base cost of energy expressed in cents per kilowatt hour billed is 1.177 cents. Such base cost may be amended from time to time.

The "average cost of energy" shall be equal to the sum of (i) the fuel and fuel related charges incurred by the Authority from its thermal generating units normally furnishing energy under this tariff and the value of energy as determined by Authority from other Authority Projects in generation of firm power and energy for its Customers supplied under this tariff and (ii) the amount paid by the Authority for power and energy purchased from other suppliers, including transmission charges and additional capacity charges, if any, associated with such deliveries, less credits from sales of reserve energy; all divided by the total kilowatthours of energy billed to such Customers.

The difference between the "average cost of energy" and the base cost of energy shall be added to or subtracted from the charges per kilowatthour for energy specified in this Service Tariff.

G. Additional Regulations - The supply of service hereunder to Customer is subject to the provisions of the Schedule
for Electricity Service of the utility providing delivery-service as filed with the Public Service Commission and as may be amended and supplemented from time to time, provided that in the event of any inconsistency, conflict or difference between the provisions of this Service Tariff or the Authority's Rules and Regulations for Power Service, and those contained in such Schedule for Electricity Service, the provisions of this Service Tariff and the Authority's Rules and Regulations shall govern.

H. **Redistribution of Electric Service** - Customer may resell, remeter (or submeter), or redistribute electric service to his tenants or occupants, in the premises supplied by Authority, only if and to the extent that such is authorized by the Authority and not violative of any statutes, laws, rules or regulations of any body having jurisdiction in the premises.

I. **Supplementary Provision** - Section 454.6(d) of Authority's Rules and Regulations for Power Service shall not be applicable to service hereunder.

J. **Adjustment Factor** - The Demand Charge, Energy Charge and the Fuel Adjustment shall be multiplied by a factor equal to the efficiency factor ratio of Customer, which represents the ratio of the power and energy delivered to the system of the utility providing delivery-service and the power and energy received by Customer.

K. **Notices** - Customer shall notify Authority and the utility in writing in advance when service is to be discontinued at existing premises. Customer shall provide the name and address,
if known, of the successor in occupancy of such premises or portion thereof. If Customer desires service from Authority at another location Customer shall file an amended application pursuant to Authority's requirements.

L. Payment of Estimated Bill

Approximately 10 days prior to initial service Authority will render to Customer an estimated bill for service during the first monthly billing period. This bill will be due and payable within 10 days. Authority will render a similar estimated bill approximately 10 days prior to the start of the second monthly billing period which will be similarly due and payable within 10 days. Thereafter Authority will render to Customer a final net bill approximately 20 days after the conclusion of each billing period. Such net bill will be payable within 15 working days thereafter. Authority will also render to Customer at the same time an estimated bill for the next following billing period which will be due and payable within 10 days. Estimated bills are subject to late payment changes in accordance with provision 454.6(b) of the Authority's Rules and Regulations for power service.

M. Any notice given by the Authority to the City shall be addressed to the Administrator at his office in the Municipal Building, Borough of Manhattan, New York, New York 10007, and may be given personally or by mail.

N. a. It shall be unlawful for any person engaged in the construction, alteration or repair of buildings or engaged in the
construction, or repair of streets or highways pursuant to a contract with the City, or engaged in the manufacture, sale or distribution of materials, equipment or supplies pursuant to a contract with the City, to refuse to employe or to refuse to continue in any employment any person on account of the race, color or creed of such person.

b. It shall be unlawful for any person or any servant, agent or employee of any person, described in subdivision a hereof to ask, indicate or transmit orally or in writing, directly or indirectly, the race, color or creed, or religious affiliation of any person employed or seeking employment from such person, firm or corporation.

O. The price of electric service supplied hereunder by the Authority to the City (including all its subdivision, departments and agencies) at the point of delivery from the Indian Point No. 3 and Astoria No. 6 plant generators to the "step up" transformers and before the application of loss, load and demand factors and delivery charges will be no greater than the price at the same point and time to any other purchaser from the Authority of similar electric service for delivery within the City of New York or Westchester County.

P. Nothing in this agreement shall be construed to limit, abridge or affect in any manner the rights and/or powers of the City of New York relating to the occupation or use of any of the City's streets or relating to the occupation or use of any City property.
APPENDIX A

DELIVERY - SERVICE CHARGE

Applicable:

To use of service as shown in each of the separate rates herein.

Minimum Charge:

$1,125,000 per month, exclusive of adjustment to delivery-service charge. When this tariff is in effect for less than the full requirements of the applicable facilities, the minimum charge will be prorated by the applicable percentage of full requirements served under this tariff.

Rate I:

For light, heat and power for the City's public buildings, offices and structures, or parts therof, used by the City for public purposes in the franchise territory of the utility providing delivery-service in the City of New York.

Charge based on Demand (per month)

For 500kw of maximum demand $5.81 per kw
Next 1000kw of maximum demand $4.22 per kw
Excess over 1500kw of maximum demand $2.97 per kw

Charge based on Energy (per month)

First 3,000,000kwh 2.81 cents per kwh
Next 7,000,000kwh 1.88 cents per kwh
Excess 10,000,000kwh 1.12 cents per kwh

The above rates for delivery-service are applicable to the combined electrical service requirements of Customers for the above described purposes supplied within the franchise area served by the utility providing delivery-service.
Rate II:

For furnishing electrical energy for all of the light, heat and power requirements of a school.

For the billing periods in the months of October to May, inclusive.

Charge based on Demand (per month)

$ .90 per kw

Charge based on Energy (per month)

.45 cents per kwh

For the billing periods in the months of June to September, inclusive, service will be provided under the rates and provisions of Rate I.

Rate III:

For furnishing electrical energy to pollution control sewage treatment plants.

Charge based on Demand (per month)

$ 1.13 per kw

Charge based on Energy (per month)

cents per kwh

Minimum Charge:

The charge for 150 kilowatts of demand, exclusive of charge based on energy and adjustment to delivery-service charge.

Rate IV:

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 $31.43

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 $2.15 per mo.

c) For each additional 125 milliamperes (or equivalent) of continuous flow, or fraction thereof, an additional charge of $2.15 per mo.

Rate V:

For furnishing breakdown connection including meter and energy required for any building where the City is now operating a generating plant.

Charge based on Demand (per year)

for each kilowatt of contracted demand payable at the rate of $7.55 per month per kilowatt of such contracted demand.

Charge based on Energy (per month)

For the first 9,000 kwhr 2.83 cents per kwhr
For the next 21,000 kwhr 2.27 cents per kwhr
For the next 120,000 kwhr 1.98 cents per kwhr
For excess over 150,000 kwhr 1.70 cents per kwhr

Minimum Charge:

$90.60 per year per kilowatt of contracted demand payable at the rate of $7.55 per month per kilowatt of such demand and exclusive of charge based on energy and adjustment to delivery service charge.

Adjustment to Delivery Charge: (Applicable to Rates I thru V listed above.)

1) The delivery-service charge shall be increased by the
applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.
APPENDIX B
DELIVERY SERVICE CHARGE

Applicable:
To use of service for lighting of public streets, thoroughfares, parks and parkways; operation of traffic control signals, fire alarm signals, warning and directional signals, warning and direction signs for all service supplied in the utility's territory to the municipality for public purposes in the City of New York.

Rate:
Supplying Electric Energy—Per Calendar Month

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 by the City.............$2.60

Charge based on demand

For each watt of billing demand....... .42 cents

Charge based on energy

For each kilowatthour................. .94 cents

Minimum Charge:
The minimum charge for service shall be $880,000 per month, exclusive of adjustment to delivery-service charge. When this tariff is in effect for less than the full requirements of the applicable facilities, the minimum charge will be prorated by the applicable percentage of full requirements served under this tariff.
Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel cost resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.
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APPENDIX C

DELIVERY SERVICE CHARGE

Applicable:
To use of service for light, heat and power for general uses where the Customer's requirements do not exceed 10 kilowatts.

Rate:
Charge based on energy (per month)

For the first 10 kwhr (or less) ....... $4.61
For the next 890 kwhr ... 3.91 cents per kwhr
For excess over 900 kwhr ... 3.25 cents per kwhr

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No.1 unit.

Minimum Charge

$4.61 per month, exclusive of adjustment to delivery-service charge.
APPENDIX D

DELIVERY-SERVICE CHARGE

Applicable:

To use of service for light, heat and power for Customers engaged in redistribution of electricity for multiple tenanted commercial or industrial buildings where the Customer's requirements are in excess of ten kilowatthours.

Rate:

<table>
<thead>
<tr>
<th>Demand Charge (per month)</th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first 100 kw of billing demand</td>
<td>$7.78 per kw</td>
<td>$7.78 per kw</td>
</tr>
<tr>
<td>For the next 200 kw of billing demand</td>
<td>$6.74 per kw</td>
<td>$6.39 per kw</td>
</tr>
<tr>
<td>For the next 9,700 kw of billing demand</td>
<td>$6.11 per kw</td>
<td>$5.72 per kw</td>
</tr>
<tr>
<td>For the next 15,000 kw of billing demand</td>
<td>$5.67 per kw</td>
<td>$5.28 per kw</td>
</tr>
<tr>
<td>For excess over 25,000 kw of billing demand</td>
<td>$4.76 per kw</td>
<td>$4.31 per kw</td>
</tr>
</tbody>
</table>

Energy Charge (per month)--for both low and high tension service

| For the first 40,000 kwhr | $ .89 cents per kwhr |
| For the next 1,460,000 kwhr | $ .17 cents per kwhr |
| For excess over 1,500,000 kwhr | - cents per kwhr |

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No.1 unit.
Minimum Charge:

The charge for 10 kilowatts of demand exclusive of charge based on energy and adjustment to delivery-service charge.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.
APPENDIX G
DELIVERY SERVICE CHARGE

Applicable:
To use of service for light, heat and power for multiple dwellings when Customer's requirements are in excess of 10 kilowatts and electricity is redistributed to residential tenants on a rent inclusion basis.

Rate:

<table>
<thead>
<tr>
<th>Charge based on Demand (per month)</th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each kilowatt of demand</td>
<td>$5.17</td>
<td>$4.81</td>
</tr>
</tbody>
</table>

Charge based on Energy (per month)—for both low and high tension service

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first</td>
<td>80,000 kwhr</td>
<td>.81cents per kwhr</td>
</tr>
<tr>
<td>For the next</td>
<td>720,000 kwhr</td>
<td>.37cents per kwhr</td>
</tr>
<tr>
<td>For excess over 800,000 kwhr</td>
<td>................</td>
<td>— cents per kwhr</td>
</tr>
</tbody>
</table>

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.
3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.

Minimum Charge:

The charge for 10 kilowatts of demand, exclusive of charge based on energy and adjustment to delivery-service charge.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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 or any privilege or service heretofore enjoyed by Customer.
APPENDIX H
DELIVERY-SERVICE CHARGE

Applicable:
To use of service for light, heat and power for general
uses where Customer's requirements are in excess of 10 kilowatts.

Rate:

<table>
<thead>
<tr>
<th>Charge based on Demand (per month)</th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first 1,300kw of billing demand</td>
<td>$7.30 per kw</td>
<td>$6.97 per kw</td>
</tr>
<tr>
<td>For excess over 1,300kw of billing demand</td>
<td>$6.68 per kw</td>
<td>$6.35 per kw</td>
</tr>
</tbody>
</table>

Charge based on Energy (per month) - for both low and high tension service

| For the first 1,500,000kwhr | 13 cents per kwhr |
| For excess over 1,500,000kwhr | |

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.
Minimum Charge:

The charge for 5 kilowatts of demand, exclusive of charge based on energy and adjustment to delivery-service charge.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
SCHEDULE B

FIXED COSTS ALLOCATION
EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY
## SCHEDULE B
### FIXED COSTS ALLOCATION

#### Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges. All Groups are taking their full Allocated Shares of the 500MW Plant.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Relinquished Allocated</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW</th>
<th>NYPa's LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2015-2016 Av. 2015-2016 Av. $</td>
<td>2015-2016 Av. 2015-2016 Av.</td>
<td>500 MW (kW)</td>
<td>Fixed Costs</td>
<td>Fixed Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D9 kW</td>
<td>Allocation %</td>
<td>5.9%</td>
<td>5.6%</td>
<td>29,476</td>
</tr>
<tr>
<td></td>
<td></td>
<td>438,187</td>
<td>25.0%</td>
<td>25.0%</td>
<td>124,971</td>
<td>26,243,910</td>
</tr>
<tr>
<td></td>
<td></td>
<td>818,832</td>
<td>46.7%</td>
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<td>235,331</td>
<td>49,041,510</td>
</tr>
<tr>
<td></td>
<td></td>
<td>81,886</td>
<td>4.7%</td>
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<td>23,354</td>
<td>4,904,340</td>
</tr>
<tr>
<td></td>
<td></td>
<td>235,064</td>
<td>13.6%</td>
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<td>67,896</td>
<td>14,258,150</td>
</tr>
<tr>
<td></td>
<td></td>
<td>53,306</td>
<td>3.0%</td>
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<td>15,203</td>
<td>3,192,630</td>
</tr>
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<td></td>
<td></td>
<td>19,227</td>
<td>1.1%</td>
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<td>5,569</td>
<td>1,169,490</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>1,753,155</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>500,000</strong></td>
<td><strong>$105,000,000</strong></td>
</tr>
</tbody>
</table>

#### Scenario 2: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is not reallocated to other Groups.

<table>
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<tr>
<th>Line</th>
<th>Description</th>
<th>Relinquished Allocated</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW</th>
<th>NYPa's LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2015-2016 Av. 2015-2016 Av. $</td>
<td>2015-2016 Av. 2015-2016 Av.</td>
<td>500 MW (kW)</td>
<td>Fixed Costs</td>
<td>Fixed Costs</td>
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<td>1,169,490</td>
</tr>
<tr>
<td></td>
<td><strong>NYPA</strong></td>
<td><strong>-</strong></td>
<td><strong>0.0%</strong></td>
<td><strong>42.0%</strong></td>
<td><strong>210,178</strong></td>
<td><strong>44,511,009</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>1,753,155</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>500,000</strong></td>
<td><strong>$105,000,000</strong></td>
</tr>
</tbody>
</table>

#### Scenario 3: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is reallocated to Group 2.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Relinquished Allocated</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW</th>
<th>NYPa's LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2015-2016 Av. 2015-2016 Av. $</td>
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<td>500 MW (kW)</td>
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<td>Fixed Costs</td>
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<td>1,169,490</td>
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<tr>
<td></td>
<td><strong>NYPA</strong></td>
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<td><strong>42.0%</strong></td>
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<td><strong>100.0%</strong></td>
<td><strong>500,000</strong></td>
<td><strong>$105,000,000</strong></td>
</tr>
</tbody>
</table>
### Scenario 4: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is reallocated to all other Groups.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>Share Allocation %</th>
<th>Reallocation %</th>
<th>500 MW Allocation (kW)</th>
<th>Fixed Costs</th>
<th>Annual Fixed Costs</th>
<th>Monthly Fixed Costs</th>
<th>500 MW Fixed Costs</th>
<th>NYPAs LSE Fixed Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>6.4%</td>
<td>32,059</td>
<td>$6,691,110</td>
<td>$557,593</td>
<td>$6,219,494</td>
<td>$471,616</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>27.2%</td>
<td>135,923</td>
<td>28,368,665</td>
<td>2,384,055</td>
<td>26,369,129</td>
<td>1,999,536</td>
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<td></td>
</tr>
<tr>
<td>29</td>
<td>Group 3</td>
<td>818,832</td>
<td>46.7%</td>
<td>42.0%</td>
<td>210,178</td>
<td>44,511,009</td>
<td>3,709,251</td>
<td>40,774,513</td>
<td>3,738,496</td>
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</tr>
<tr>
<td>30</td>
<td>Group 4</td>
<td>81,886</td>
<td>4.7%</td>
<td>5.1%</td>
<td>25,401</td>
<td>5,301,404</td>
<td>441,784</td>
<td>4,927,740</td>
<td>373,664</td>
<td></td>
<td></td>
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<tr>
<td>31</td>
<td>Group 5</td>
<td>238,064</td>
<td>13.6%</td>
<td>14.8%</td>
<td>73,846</td>
<td>15,412,527</td>
<td>1,284,377</td>
<td>14,326,191</td>
<td>1,086,336</td>
<td></td>
<td></td>
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<tr>
<td>32</td>
<td>Group 6</td>
<td>53,306</td>
<td>3.0%</td>
<td>3.3%</td>
<td>18,535</td>
<td>3,451,111</td>
<td>287,693</td>
<td>3,207,863</td>
<td>243,248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Group 7</td>
<td>19,527</td>
<td>1.1%</td>
<td>1.2%</td>
<td>6,057</td>
<td>1,264,174</td>
<td>105,348</td>
<td>1,175,070</td>
<td>89,104</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>NYPAs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Grand Total</td>
<td>1,753,155</td>
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<td>100.0%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Scenario 5: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped to not exceed the new 500MW Plant allocation (kW).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.7%</td>
<td>6.4%</td>
<td>32,055</td>
<td>$6,690,325</td>
<td>$557,527</td>
<td>$6,218,709</td>
<td>$471,616</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Group 2</td>
<td>450,000</td>
<td>26.3%</td>
<td>25.1%</td>
<td>125,433</td>
<td>26,333,615</td>
<td>2,194,468</td>
<td>24,334,079</td>
<td>1,999,536</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Group 3</td>
<td>750,000</td>
<td>43.9%</td>
<td>41.8%</td>
<td>209,056</td>
<td>44,293,294</td>
<td>3,691,108</td>
<td>40,556,798</td>
<td>3,736,496</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.7%</td>
<td>4.5%</td>
<td>22,299</td>
<td>4,699,722</td>
<td>391,644</td>
<td>4,326,058</td>
<td>373,664</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Group 5</td>
<td>240,000</td>
<td>14.0%</td>
<td>13.4%</td>
<td>66,898</td>
<td>14,084,511</td>
<td>1,172,043</td>
<td>12,978,175</td>
<td>1,086,336</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.5%</td>
<td>3.3%</td>
<td>16,724</td>
<td>3,487,792</td>
<td>290,649</td>
<td>3,244,544</td>
<td>243,248</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>0.8%</td>
<td>4,181</td>
<td>900,240</td>
<td>75,020</td>
<td>811,136</td>
<td>89,104</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>NYPAs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>Grand Total</td>
<td>1,710,000</td>
<td>100.0%</td>
<td>100.0%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE B continued

Scenario 6: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped at the originally relinquished amount level.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>D9 kW</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>$</td>
<td>Allocated Share</td>
<td>$</td>
<td>Allocated Share</td>
</tr>
<tr>
<td>45</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.5%</td>
<td>31,145</td>
<td>8.2%</td>
<td>31,145 $</td>
<td>6,513,657 $</td>
<td>542,805 $</td>
<td>6,042,041 $</td>
<td>471,616 $</td>
</tr>
<tr>
<td>46</td>
<td>Group 2</td>
<td>450,000</td>
<td>25.6%</td>
<td>121,870</td>
<td>24.4%</td>
<td>121,870 $</td>
<td>25,642,395 $</td>
<td>2,136,859 $</td>
<td>23,642,770 $</td>
<td>1,999,536 $</td>
</tr>
<tr>
<td>47</td>
<td>Group 3</td>
<td>800,000</td>
<td>45.5%</td>
<td>216,658</td>
<td>42.0%</td>
<td>210,178 $</td>
<td>44,511,000 $</td>
<td>3,709,251 $</td>
<td>40,774,513 $</td>
<td>3,736,496 $</td>
</tr>
<tr>
<td>48</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.5%</td>
<td>21,666</td>
<td>4.3%</td>
<td>21,666 $</td>
<td>4,576,823 $</td>
<td>381,402 $</td>
<td>4,203,159 $</td>
<td>373,664 $</td>
</tr>
<tr>
<td>49</td>
<td>Group 5</td>
<td>240,000</td>
<td>13.6%</td>
<td>64,967</td>
<td>13.0%</td>
<td>64,967 $</td>
<td>13,695,813 $</td>
<td>1,141,318 $</td>
<td>12,600,477 $</td>
<td>1,086,336 $</td>
</tr>
<tr>
<td>50</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.4%</td>
<td>16,249</td>
<td>3.2%</td>
<td>16,249 $</td>
<td>3,395,617 $</td>
<td>282,988 $</td>
<td>3,152,369 $</td>
<td>243,248 $</td>
</tr>
<tr>
<td>51</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>4,062</td>
<td>0.8%</td>
<td>4,062 $</td>
<td>877,196 $</td>
<td>73,100 $</td>
<td>788,092 $</td>
<td>89,104 $</td>
</tr>
<tr>
<td>52</td>
<td>NYP A¹</td>
<td>-</td>
<td>-</td>
<td>23,353</td>
<td>6.0%</td>
<td>23,353 $</td>
<td>482,298 $</td>
<td>5,787,579 $</td>
<td>- $</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Grand Total</td>
<td>1,760,000</td>
<td>100%</td>
<td>500,000</td>
<td>100.0%</td>
<td>500,000 $</td>
<td>105,000,000 $</td>
<td>8,750,000 $</td>
<td>97,000,000 $</td>
<td>8,000,000 $</td>
</tr>
</tbody>
</table>

Scenario 7: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 4. The Allocated Shares reset during the 2020 process. The originally relinquished as well as the re-allocated amounts to other Groups are capped at the originally relinquished/reallocated amount levels.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>D9 kW</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>$</td>
<td>Allocated Share</td>
<td>$</td>
<td>Allocated Share</td>
</tr>
<tr>
<td>54</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.5%</td>
<td>31,145</td>
<td>8.7%</td>
<td>33,728 $</td>
<td>7,014,806 $</td>
<td>584,567 $</td>
<td>6,543,192 $</td>
<td>471,619 $</td>
</tr>
<tr>
<td>55</td>
<td>Group 2</td>
<td>450,000</td>
<td>25.6%</td>
<td>121,870</td>
<td>26.6%</td>
<td>132,822 $</td>
<td>27,767,060 $</td>
<td>2,313,922 $</td>
<td>25,767,524 $</td>
<td>1,999,536 $</td>
</tr>
<tr>
<td>56</td>
<td>Group 3</td>
<td>800,000</td>
<td>45.5%</td>
<td>216,658</td>
<td>42.0%</td>
<td>210,178 $</td>
<td>44,511,009 $</td>
<td>3,709,251 $</td>
<td>40,774,513 $</td>
<td>3,736,496 $</td>
</tr>
<tr>
<td>57</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.5%</td>
<td>21,666</td>
<td>4.7%</td>
<td>23,712 $</td>
<td>4,973,887 $</td>
<td>414,491 $</td>
<td>4,600,223 $</td>
<td>373,664 $</td>
</tr>
<tr>
<td>58</td>
<td>Group 5</td>
<td>240,000</td>
<td>13.6%</td>
<td>64,967</td>
<td>14.2%</td>
<td>70,948 $</td>
<td>14,850,180 $</td>
<td>1,237,515 $</td>
<td>13,763,844 $</td>
<td>1,086,336 $</td>
</tr>
<tr>
<td>59</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.4%</td>
<td>16,249</td>
<td>3.5%</td>
<td>17,582 $</td>
<td>3,654,098 $</td>
<td>304,508 $</td>
<td>3,410,850 $</td>
<td>243,248 $</td>
</tr>
<tr>
<td>60</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>4,062</td>
<td>0.9%</td>
<td>4,550 $</td>
<td>971,880 $</td>
<td>80,990 $</td>
<td>888,776 $</td>
<td>89,104 $</td>
</tr>
<tr>
<td>61</td>
<td>NYP A¹</td>
<td>-</td>
<td>-</td>
<td>23,353</td>
<td>1.3%</td>
<td>6,480 $</td>
<td>1,257,079 $</td>
<td>104,756 $</td>
<td>1,257,079 $</td>
<td>- $</td>
</tr>
<tr>
<td>62</td>
<td>Grand Total</td>
<td>1,760,000</td>
<td>100%</td>
<td>500,000</td>
<td>100.0%</td>
<td>500,000 $</td>
<td>105,000,000 $</td>
<td>8,750,000 $</td>
<td>97,000,000 $</td>
<td>8,000,000 $</td>
</tr>
</tbody>
</table>

Sources & Notes

¹ Reduction in Group 3 load has been assigned to NYP A, if unclaimed, for purposes of calculating revised allocation factors.

Same allocation principles shall apply to the allocation of the 500MW Plant Variable Costs.

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the City’s share of the Transitional Costs in equal payments over a three (3) year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
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<tr>
<td>General Rate Design Support</td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
<td></td>
<td></td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
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<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
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<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
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<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,836,544</td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

Subject to the City’s approval, the following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the City’s share of the expense may be passed through to the City on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support ---- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
## SCHEDULE E

### LOAD BUS NAMES & INCLUDED CUSTOMERS

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zone H</strong></td>
<td></td>
</tr>
<tr>
<td>SENY-DCAS_CE_MILLWOOD</td>
<td>City</td>
</tr>
<tr>
<td><strong>Zone I</strong></td>
<td></td>
</tr>
<tr>
<td>SENY-DCAS_CE_DUNWOODI</td>
<td>City</td>
</tr>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENY-DCAS_CE_NY-CITY</td>
<td>City</td>
</tr>
</tbody>
</table>
### SCHEDULE F

**APPLICABLE VARIABLE COSTS & REVENUES — FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March 17</th>
<th>Allocation Method</th>
<th>Formula/Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$38,066,791</td>
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<td></td>
</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$29,601,053</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(4) Zone A CFD's</td>
<td>NA</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(5) Zone C (C. Lawrence Bus)</td>
<td>$2,153,324</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(6) Zone C CFD's</td>
<td>NA</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(7) Zone G (Ashokan Bus)</td>
<td>$14,018,619</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(8) Zone G CFD's</td>
<td>NA</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(9) Marginal Losses</td>
<td>$1,542,338</td>
<td>Pass-through</td>
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<tr>
<td>(10) Balancing Energy</td>
<td>$431,315</td>
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</tr>
<tr>
<td>(11) Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(12) Purchase Power - NYISO Expenses</td>
<td>$2,699,576</td>
<td>Pass-through</td>
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</tr>
<tr>
<td>(13) Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
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</tr>
<tr>
<td>(14) ATAC</td>
<td>$718,022</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(15) Transco Facilities Charge</td>
<td>$394,413</td>
<td>Pass-through</td>
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</tr>
<tr>
<td>(16) UNSOCC Expense</td>
<td>NA</td>
<td>Pass-through</td>
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</tr>
<tr>
<td>(17) Purchase Power - Other</td>
<td>$0</td>
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</tr>
<tr>
<td>(18) Clean Energy Standard Purchases</td>
<td>NA</td>
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</tr>
<tr>
<td>(19) Purchase Power - Capacity</td>
<td>$2,096,583</td>
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<td></td>
</tr>
<tr>
<td>(20) NYC, Including 500 MW Offset</td>
<td>$600,484</td>
<td>Pass-through/D9*</td>
<td></td>
</tr>
<tr>
<td>(21) LGS</td>
<td>$109,582</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(22) JW</td>
<td>$681,005</td>
<td>Pass-through</td>
<td></td>
</tr>
<tr>
<td>(23) Demand Curve</td>
<td>$596,533</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(24) NYC (In-City &amp; In-City ROS)</td>
<td>$337,781</td>
<td>Cap Tag</td>
<td></td>
</tr>
<tr>
<td>(25) LGS</td>
<td>$12,087</td>
<td>Cap Tag</td>
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</tr>
<tr>
<td>(26) JW</td>
<td>$486,752</td>
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</tr>
<tr>
<td>(17) Transmission Congestion Contracts (TCC)</td>
<td>($2,285,414)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(18) GFTCC Cost (600 MW Upper Path)</td>
<td>$1,514,600</td>
<td>E1**</td>
<td></td>
</tr>
<tr>
<td>(19) GFTCC Bunch (600 MW Upper Path)</td>
<td>($4,825,083)</td>
<td>E1**</td>
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</tr>
<tr>
<td>(20) HPFTCC Cost (600 MW Lower Path)</td>
<td>NA</td>
<td>E1**</td>
<td></td>
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<tr>
<td>(21) HPFTCC Bunch (600 MW Lower Path)</td>
<td>NA</td>
<td>E1**</td>
<td></td>
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<tr>
<td>(22) Other GFTCC - Congestion Reimbursement - Con Ed</td>
<td>$1,025,999</td>
<td>E1**</td>
<td></td>
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<tr>
<td>(23) SDI MW CCH</td>
<td>D9*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(24) Revenues &amp; Cost</td>
<td>($1,995,586)</td>
<td>D9*</td>
<td></td>
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<tr>
<td>(25) Energy Revenues</td>
<td>($6,935,139)</td>
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<tr>
<td>(26) Auxiliary Services Revenues</td>
<td>($420,137)</td>
<td>D9*</td>
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<tr>
<td>(27) Auxiliary Service Expenses</td>
<td>$471,388</td>
<td>D9*</td>
<td></td>
</tr>
<tr>
<td>(28) Fuel Expense</td>
<td>D9*</td>
<td></td>
<td></td>
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<tr>
<td>(29) Base Fuel expense</td>
<td>$6,412,789</td>
<td>D9*</td>
<td></td>
</tr>
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<td>(30) Fuel Hedge</td>
<td>NA</td>
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<tr>
<td>(31) RGSS Expense</td>
<td>$361,122</td>
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<tr>
<td>(32) Supplemental IBD Production Cost Guarantee</td>
<td>($445,592)</td>
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<tr>
<td>(33) Zone J CFT Settlement</td>
<td>NA</td>
<td>D9*</td>
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<td>(34) Business Interruption Insurance</td>
<td>$43,963</td>
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<td>(35) Emission Credits</td>
<td>$0</td>
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<tr>
<td>(36) Balancing Energy</td>
<td>$9,877</td>
<td>D9*</td>
<td></td>
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</tbody>
</table>

*Avg. 2015-2016 D9 % Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021*

**Avg. 2014-2015 E1 % Allocation for the term of the Agreement**
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
SCHEDULE H

500 MW Plant Annual Debt Service Payments

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$</td>
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<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
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<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
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<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
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<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

Notes

1 Source: Final NYPAC 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for City of New York

Service Tariff No. 110

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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<td></td>
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</tr>
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<td></td>
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<td>General Large</td>
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<td>Service Classification No. 80</td>
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<td>Service Classification No. 91</td>
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<tr>
<td>New York City Public Buildings</td>
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<td>Service Classification No. 93</td>
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<td>Service Classification No. 98</td>
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<td>New York City Public Buildings – Pollution Control</td>
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<td>RIDER A Standby Service</td>
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<td>RIDER B Net Metering</td>
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<td>RIDER C (Reserved for future use)</td>
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<td>C. Power Factor</td>
<td>33</td>
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<td>D. Adjustments in Charges</td>
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<th>Leaf No.</th>
<th>Section Description</th>
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<td>Customer Requirements for Production and Delivery Service</td>
</tr>
<tr>
<td></td>
<td>1. Provision of Production Service</td>
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<tr>
<td></td>
<td>2. Provision of Delivery Service</td>
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<td>3. Temporary Service</td>
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</tr>
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<td></td>
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</tr>
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<td></td>
<td>6. Redistribution of Electric Service</td>
</tr>
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<td>F.</td>
<td>Billing Demand</td>
</tr>
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<td>G.</td>
<td>Billing Period</td>
</tr>
<tr>
<td>H.</td>
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</tr>
<tr>
<td>I.</td>
<td>Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party</td>
</tr>
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<td>J.</td>
<td>Customer Information for Supply Planning</td>
</tr>
<tr>
<td>K.</td>
<td>Bill Proration</td>
</tr>
</tbody>
</table>

## VI. Special Provisions Applicable to Production

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<thead>
<tr>
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</tr>
</thead>
<tbody>
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</tr>
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<td>B. Effective Date of Rates and Charges</td>
</tr>
<tr>
<td>C. NYISO-Related Charges</td>
</tr>
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<td>D. Distribution Losses</td>
</tr>
<tr>
<td>E. Production Rate Structure Updates</td>
</tr>
<tr>
<td>F. Production Rate Development</td>
</tr>
</tbody>
</table>

## VII. Special Provisions Applicable to Delivery Service

<table>
<thead>
<tr>
<th>Section Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Rates and Charges</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
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<tr>
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</table>

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<table>
<thead>
<tr>
<th>General Information - Continued</th>
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<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
<td>46</td>
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<td>C. Adjustment of Charges</td>
<td>46</td>
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<td>D. Proration of Monthly Rates and Charges</td>
<td>46</td>
</tr>
<tr>
<td>E. Minimum Bill</td>
<td>47</td>
</tr>
<tr>
<td>F. Seasonal Proration</td>
<td>47</td>
</tr>
<tr>
<td>G. Billing Period Proration</td>
<td>47</td>
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<tr>
<td>H. Delivery Service Rate True-up Mechanism</td>
<td>47</td>
</tr>
<tr>
<td>I. Delivery Rate Development</td>
<td>48</td>
</tr>
<tr>
<td>J. Rights</td>
<td>48</td>
</tr>
</tbody>
</table>
Electric Service Tariff for City of New York
Service Tariff No. 110

I. Applicability
To sale of firm power and energy by Authority to City of New York (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.
**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

#### 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.

#### C. Defined Billing Terms of Production and Delivery

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


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.
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.

**CONVENTIONAL**

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>5.239</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.894</td>
</tr>
</tbody>
</table>

**Time Period Conventional:**
- All hours, all days

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
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<tbody>
<tr>
<td>Demand ($/kW)</td>
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<td>Low Tension</td>
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<tr>
<td></td>
<td>$6.18</td>
<td>25.91</td>
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<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.132</td>
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<tr>
<td></td>
<td>Winter</td>
<td>3.788</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
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### TOD

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<thead>
<tr>
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<th>DELIVERY</th>
</tr>
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<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>Summer</td>
<td>Low Tension</td>
</tr>
<tr>
<td></td>
<td>Summer</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$7.50</td>
<td>7.14</td>
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<tr>
<td>Primary</td>
<td></td>
<td>19.74</td>
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<td>Secondary</td>
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<td>21.68</td>
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<td>$7.50</td>
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<tr>
<td>Primary</td>
<td></td>
<td>11.47</td>
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<tr>
<td>Secondary</td>
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<td>6.85</td>
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<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>On Peak</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>Off Peak</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

(SC 69 – Continued on Leaf No. 11)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:

- All hours, all days

Time Period TOD:

- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:

- Summer – June through September
- Winter – October through May

Production:

- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:

- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

Standby Service:

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

(SC 69 – Continued on Leaf No. 12)
<table>
<thead>
<tr>
<th>Service Classification No. 69 (continued)</th>
</tr>
</thead>
</table>

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

**General Large**

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>$0.72</td>
<td>Low Tension 25.91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High Tension 19.77</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer: 4,099</td>
<td>Winter: 4,099</td>
</tr>
</tbody>
</table>

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) 11.05

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

(SC 80 – Continued on Leaf No. 14)
Service Classification No. 80 (continued)
New York City Public Street Lighting

- The Special Provision 3 (P.S.C. No. 12) and SC 6, Special Provisions B, C, D, F, G (P.S.C. No. 10) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
### 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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>$6.73</td>
<td>Low Tension</td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>4.064</td>
<td></td>
</tr>
<tr>
<td>Winter</td>
<td>3.720</td>
<td></td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>Summer</td>
<td>Low Tension</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.74</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21.68</td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Winter</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.85</td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

(SC 91 – Continued on Leaf No. 16)
UNMETERED FIRE ALARM AND SIGNAL SYSTEMS
Service Classification No. 91 (continued)

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

<table>
<thead>
<tr>
<th>For service connection</th>
<th>($ per month)</th>
<th>130.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>($ per month)</td>
<td>8.94</td>
</tr>
<tr>
<td>For each additional 125 milliamperes (or equivalent) of continuous flow, or traction thereof, an additional charge of</td>
<td>($ per month)</td>
<td>8.94</td>
</tr>
</tbody>
</table>

New York City Public Buildings

Time Period Conventional:
- All hours, all days

Time Period TOD:
- **Demand:**
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours
- **Energy Charge:**
  - On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)
  - Off-Peak: All other times

Season:
- **Summer** – June through September
- **Winter** – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

(SC 91 – Continued on Leaf No. 17)
Service Classification No. 91 (continued)

**Delivery Service:**
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The Special Provision 5 included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

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

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

**New York City Public Buildings**

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

<table>
<thead>
<tr>
<th>Production</th>
<th>Delivery</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>4.34</td>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh) Summer</td>
<td></td>
<td>4.117</td>
<td></td>
</tr>
<tr>
<td>Winter</td>
<td></td>
<td>3.776</td>
<td></td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td></td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td></td>
<td>1.97</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

(SC 93 – Continued on Leaf No. 19)
Service Classification No. 93 (continued)

New York City Public Buildings – Schools

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The Special Provision No. 5 included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) is incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>$2.75</td>
<td>Low Tension 25.91</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>4.157</td>
<td></td>
</tr>
<tr>
<td>Winter</td>
<td>3.813</td>
<td></td>
</tr>
</tbody>
</table>

| Reactive Power ($/kVar) | Billable reactive power demand | 1.97 |
| Induction-generation exception | 1.97 |

### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td>Summer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$6.07</td>
<td>7.14</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td>19.74</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td>21.68</td>
</tr>
<tr>
<td>Winter</td>
<td>$6.07</td>
<td>11.47</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td>6.85</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
<td>On Peak</td>
</tr>
<tr>
<td>Summer</td>
<td>5.131</td>
<td>3.366</td>
</tr>
<tr>
<td>Winter</td>
<td>4.330</td>
<td>3.382</td>
</tr>
</tbody>
</table>

| Reactive Power ($/kVar) | Billable reactive power demand | 1.97 |
| Induction-generation exception | 1.97 |

(SC 98 – Continued on Leaf No. 21)
**Service Classification No. 98 (continued)**

**New York City Public Buildings – Pollution Control**

**Time Period Conventional:**
- All hours, all days

**Time Period TOD:**
- **Demand:**
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

**Delivery Service:**
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The Special Provision 5 included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) is incorporated by reference and apply to this service classification.

*(SC 98 – Continued on Leaf No. 22)*

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Date of Issue: January 1, 2018 Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
Service Classification No. 98 (continued)

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

Total Load: The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

Production Contract Standby Demand: The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
As-Used Daily Standby Demand: The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

Excess Energy: Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

D. Rules of Service

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

E. Determination of Production Standby Demand Charges

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
<table>
<thead>
<tr>
<th>Service Classification 69 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.185</td>
<td>$0.172</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.197</td>
<td>$0.183</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 69 Time of Day</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.225</td>
<td>$0.213</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.239</td>
<td>$0.227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 80 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.022</td>
<td>$0.020</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.023</td>
<td>$0.021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 91 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.202</td>
<td>$0.188</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.215</td>
<td>$0.199</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 91 Time of Day</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.263</td>
<td>$0.244</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.280</td>
<td>$0.260</td>
</tr>
</tbody>
</table>
## Service Classification 93 Conventional

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.130</td>
<td>$0.122</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.138</td>
<td>$0.130</td>
</tr>
</tbody>
</table>

## Service Classification 98 Conventional

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.083</td>
<td>$0.077</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.088</td>
<td>$0.082</td>
</tr>
</tbody>
</table>

## Service Classification 98 Time of Day

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.182</td>
<td>$0.173</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.194</td>
<td>$0.184</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:
To Customers served under Service Classification Nos. 62, 69, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
Net Energy: The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

Net Metering: The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

Outstanding Charges: Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

Remote Net Metering: A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

Satellite Account: NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

C. Requirements for Service:
   1. Service under this Rider is limited to Customers who meet the SIR requirements.
   2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
   3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

D. Metering:
   Meters shall be furnished, installed, employed, and maintained as required by the Utility.

E. Remote Net Metering:
   1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
      (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.
      (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.
      (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

The following procedures shall apply:

(a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

(a) the first cycle date on which a reading is taken following the requested turn off date, or

(b) the date of a special reading, which a Customer may request for a charge.

After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. **General 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 ("P.S.C. No. 12"), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

**D. Adjustments in Rates**

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

   (c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:
   a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.
   b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.
   c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment ("ECA"). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \text{ rate} (\$/kWh) = \frac{ECA \text{ balance}}{\text{forecasted energy (kWh)}}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges ("TUC") which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge
   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge
   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.
   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.
   Statement
   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment
   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)
   Mechanism
   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later
   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge
On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. **Smart Grid Surcharge**

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. **Reactive Power Demand Charge**

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. **Other Charges and Adjustments**

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. **Charge for Demand Management Programs**

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. Charge for PJM OATT Rates and Charges

The charge for PJM OATT rates and charges (“PJM OATT Charge”) will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas (“PSEG”) wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. Charges Associated with the Brooklyn/Queens Demand Management Program

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program (“BQDMP”), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
b. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

c. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on
h. **Costs and Incentives Associated with Non-Wires Alternatives (‘‘NWAs’’)**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. **Charges for Recovery of Bill Credit Export-only Customers**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. **Clean Energy Standard (CES) Delivery Surcharges**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. **Value of Distributed Energy Resources (VDER) Costs**

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT ("Agreement") dated as of ____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended ("NYPA") and the New York City Housing Authority ("NYCHA"). NYPA and NYCHA are referred to herein collectively, as the "Parties" and individually, as a "Party".

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and NYCHA dated September 22, 1976 ("Application for Electric Service") and attached hereto as Exhibit B, NYPA supplies electricity to NYCHA;

WHEREAS, effective as of March 24, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the "2005 Agreement"); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for NYCHA, and NYCHA agrees to remain a customer of NYPA subject to the terms set forth herein. NYCHA will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. ("Con Edison") via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and NYCHA, NYPA will only charge NYCHA for costs incurred by NYPA to provide power to NYCHA, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, NYCHA shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) NYCHA agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) NYCHA agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of NYCHA’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) Subject to any applicable regulatory and statutory compliance, NYCHA, at its option, may work with NYPA to structure hedges for its portfolio, as provided in Section 5.9 below.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) NYCHA may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) Either Party may terminate this Agreement with a termination date effective December 31, 2022, by giving the other party at least six (6) months prior written notification; and

(c) The Parties agree that NYCHA will pay any and all outstanding Financial Obligations owed by NYCHA under this Section 3.2 with interest, at the then-current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. Effect of Termination. In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full
accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

ARTICLE IV
FIXED, VARIABLE AND OTHER COSTS

4.1. Fixed Costs.

(a) Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement. NYCHA’s Allocated Share of total annual Fixed Costs will be allocated to NYCHA based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for NYCHA is 15.5 percent and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. If NYCHA’s share of NYPA’s 500 MW Plant is reduced or offset as set forth in Sections 5.5 or 5.6 herein, NYCHA’s share of the ninety-seven million U.S. Dollars ($97,000,000) of Fixed Costs and Variable Costs associated with the 500 MW Plant will be decreased proportionately based on the amount of NYCHA’s offset, on the date NYCHA’s offset becomes effective. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and NYCHA will continue to be responsible for its Allocated Share (15.5 percent) of the LSE Cost irrespective of any potential decreased allocation associated with the 500 MW Plant. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation under the initial allocation and under revised allocation scenarios described in Section 4.1(b). Fixed Costs include all services currently provided by NYPA to NYCHA, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to NYCHA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. NYCHA’s Allocated Share of any costs identified in Schedule D is 15.5 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to NYCHA without its express written consent.

(b) In the event that one or more of the NYC Governmental Customers relinquishes a portion of, or its entire Allocated Share (a “Relinquished Allocated Share”),
the Relinquished Allocated Share will be offered to NYC Governmental Customers as follows:

i. If only one NYC Governmental Customer elects to take a Relinquished Allocated Share, NYPA will redistribute such Relinquished Allocated Share to that customer, as illustrated in Scenario 3 of Schedule B.

ii. If more than one NYC Governmental Customer elects to take a Relinquished Allocated Share, such Relinquished Allocated Share will be distributed amongst those NYC Governmental Customers according to their respective Allocated Shares in effect at the time immediately prior to when the Relinquished Allocated Share becomes available, as illustrated in Scenario 4 of Schedule B.

iii. If none of the NYC Governmental Customers elects to take a Relinquished Allocated Share, NYPA will be responsible for the costs and will receive the revenues associated with that unclaimed Relinquished Allocated Share, as illustrated in Scenario 2 of Schedule B.

iv. During the calendar year 2020 process of revising the Allocated Shares for use in the calendar years 2021 and 2022, in revising the D9 Allocators pursuant to Section 4.1(a), any unclaimed Relinquished Allocated Share(s) as described under Section 4.1(b)(iii) will be used by NYPA as a substitute for determining the calculation of the NYC Governmental Customers’ total Allocated Shares, as illustrated in Scenarios 5 and 6 of Schedule B.

4.2. **Billing of Fixed Costs.** On an annual basis, NYCHA’s Allocated Share of the Fixed Costs shall be apportioned based on the D9 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on NYCHA’s bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills. NYPA may charge NYCHA separately for any incremental costs associated with a change in the methodology requested by NYCHA. NYCHA shall provide NYPA twelve (12) months prior written notice for such changes.

4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by NYCHA, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge NYCHA separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on NYCHA’s energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable
Costs authorized by NYCHA. An illustrative example of Variable Costs is annexed hereto as Schedule F. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to NYCHA without its express written consent.

4.5. Renegotiation and Allocation of Fixed and Variable Costs. No later than January 1, 2022, the Parties shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and NYCHA’s allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. Transitional Costs. Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as NYCHA’s final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. NYCHA shall pay NYPA its share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. NYCHA’s share of the Transitional Costs is 15.5 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, of which NYCHA’s share is 13.7 percent.

4.7. Delivery Surcharge Exemptions and Costs for Third Party Services. Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. Costs for Third-Party Services to support positions taken by NYPA on behalf of NYCHA are subject to NYCHA’s prior approval. NYPA and NYCHA will work together to determine whether any Third-Party Services provide incremental benefit to NYCHA given its own rate case representation. If NYCHA approves such Third-Party Services, these costs will be excluded from the Fixed Costs and recovered consistent with Schedule D. If NYCHA does not approve such Third-Party Services, NYPA and NYCHA will collaborate to coordinate their respective positions. NYCHA’s Allocated Share of any costs identified in Schedule D is 15.5 percent through December 31, 2020, and subject to change thereafter pursuant to Section 4.1.

4.8. Zero Emission Credits and Con Edison Charges. Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to NYCHA as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, NYCHA shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA
tariff rates will continue to be set annually for Variable Costs. NYPA will provide NYCHA with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. NYCHA will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. NYCHA’s share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is 78 Winter MW and 70 Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria Energy II ("AEII") plant will continue to support the supply of energy and capacity to NYCHA. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from NYCHA’s portfolio of dedicated resources and the costs associated with these facilities will not be charged to NYCHA.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of NYCHA. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases of such renewable resources elected by NYCHA. The ten (10) percent cap set forth in Section 5.6 below shall not apply to purchases under this Section. Any purchases of renewable market products (e.g., energy, capacity or ancillary services) by NYCHA, or by NYPA on behalf of NYCHA, during the Term will offset NYPA provision of equivalent market products. The Parties agree that NYCHA will pay any and all Financial Obligations owed by NYCHA arising from such renewable market purchases. Purchases by NYPA for NYCHA pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) NYCHA will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to NYCHA’s proposed date for deliveries of such products to commence, and NYCHA and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. NYCHA shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.
(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to NYCHA in order to meet New York City and New York State renewable energy goals.

(c) Offsets from the 500 MW Plant as a result of the purchase of renewable resources hereunder shall reduce NYCHA's Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs, and will contemporaneously reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4 above.

(d) Once a reduction has been effectuated, upon request by NYCHA, NYPAL will offer back such offsets or reductions of the 500 MW Plant to NYCHA, consistent with the terms in Sections 4.1 and 4.4, unless NYPAL is negotiating a contract for, or has contracted for, the sale of the offset capacity and/or energy from the 500 MW Plant to another party, and as illustrated by the calculation example in Schedule B.

5.6. Right to Purchase Capacity/Electricity. Subject to NYCHA paying the cost of its Financial Obligations, and provided that it gives NYPAL at least six (6) months prior written notice, NYCHA shall have the right to (a) directly purchase, in aggregate, up to ten (10) percent of its electricity requirements during the Term (in one or more increments) from another party; or (b) consistent with NYPAL’s procurement guidelines and statutory authority, NYCHA may authorize NYPAL to purchase up to ten (10) percent of NYCHA's requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPAL related to scheduling, dispatching or settlement of loads between NYPAL and the new supplier. If NYCHA makes such election to purchase under this Section 5.6, its Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs shall be reduced contemporaneously to reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4, above. Notwithstanding anything herein to the contrary, the ten (10) percent limitation shall not apply to clean on-site or renewable generation projects, which NYCHA may pursue without limitation.

5.7. Pro-Rata Share of Transmission Congestions Contracts. Expiring Grandfathered Transmission Congestion Contracts (“TCCs”) 189.2 and 190.2 under NYISO Open Access Transmission Tariff Schedule “L” (the “Lower Path”) were converted to Historic Fixed Price Transmission Congestion Contracts (“HFPTCCs”) in 2017. Consistent with NYISO notices and rules, NYCHA received its pro-rated share of such Lower Path HFPTCCs, 75 MW. NYPAL is recovering the costs associated with NYCHA’s share of the 2017 HFPTCCs during 2017. Unless terminated at NYCHA’s request based on annual election, Lower Path HFPTCCs will remain in place during the Term of this Agreement, and costs for such HFPTCCs in subsequent years will be recovered in equal monthly amounts during each calendar year of the Term. Should Grandfathered TCC numbers 189.1 and 190.1 under NYISO Open Access Transmission Tariff Schedule “L” (the “Upper Path”) expire during the Term hereof, NYPAL will endeavor to convert such Upper Path TCCs to HFPTCCs. If successful, NYPAL will offer NYCHA its pro-rated share of such TCCs in the same manner as described for the Lower Path HFPTCCs above, with interest, at the then current One-Year U. S. Treasury Bill Interest Rate. Each year NYPAL will provide a projected cost/benefit analysis of the HFPTCC option at least two (2) months prior to when
NYCHA has to (a) elect to purchase Upper Path HFPTCCs, or (b) terminate all or a portion of existing Lower or Upper Path HFPTCCs. If available, NYCHA will have the option to purchase any HFPTCCs not purchased by other NYC Governmental Customers.

5.8. Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to NYCHA via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment ("ECA") mechanism.

5.9. Hedge Options. At NYCHA’s sole option, hedges may be developed through a consultative process with NYCHA. Hedging Options include features such as caps, collars or other risk management techniques (to the extent consistent with the risk management policies adopted by NYPA’s Board of Trustees) specified by NYCHA. NYCHA may specify for modeling purposes the levels, confidence levels, volatility bands, and other parameters for each hedging option. The risk management strategies shall be designed to reduce potential volatility in variable fuel, purchased power, ancillary services, and other NYISO-related costs and off-setting revenues. Hedging Costs will be passed-through the ECA to NYCHA as a Variable Cost. All hedging risks shall be borne by NYCHA.

5.10. Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, NYCHA may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Customers listed within Schedule G ("Comparable Customer"). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If NYCHA exercising this option for such other terms and conditions, NYCHA shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).

ARTICLE VI
MISCELLANEOUS

6.1. 2005 Agreement

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, ("2008 Agreement") shall survive and remain in full force
and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. Approvals. The execution of this Agreement will be contingent on approval by NYCHA’s governing board, authorized executive and or commissioner, and approval by NYPA’s Board of Trustees.

6.3. Notices. All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):
NYPA General Counsel

If to NYCHA, to:

New York City Housing Authority
250 Broadway, 12th floor
New York, NY 10007
Attn: Executive Vice President and Chief Financial Officer

With copies to (at the same address):
Deputy General Counsel for Corporate Affairs

6.4. Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. Recitals. The recitals to this Agreement are true and correct and incorporated herein by this reference.
6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against NYCHA arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the courts of the State located in the
City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. Dispute Resolution. The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

NEW YORK CITY HOUSING AUTHORITY

By: _____________________________
Name: Michael Kelly
Title: General Manager

Signature Page
Long Term Power Supply Agreement
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEIP” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to NYCHA or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPAC Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in “Schedule G”, at that same hour.

“E1 Allocator” means the customer’s total annual energy usage (kWh) as a proportion of the total of NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at NYCHA’s direction, for which payment NYCHA is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPa to NYCHA, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPa to NYCHA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“ Hedging Costs” means all the costs associated with the settlement of a hedging instrument that NYCHA elects under Section 5.9 and includes the monthly settlements as well as any premiums associated with the purchase of an options contract. NYPA reserves the right to pass-through any credit costs associated with the establishment and support of collateral and margin plus any broker fees and commissions.

“ Hedging Strategies” is defined in Section 5.9.

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPa” has the meaning set forth in the Preamble of this Agreement.

“NYPa’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPa’s LSE Cost” represents the NYPa fee for providing services as NYCHA’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8,000,000) annually.

“NYPa Tariff” means NYPa’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.
"One-Year U.S. Treasury Bill Interest Rate" means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

"Renewable Energy Credits" has the meaning as defined by the New York State Public Service Commission.


"Third-Party Services" has the meaning set forth in Schedule D of this Agreement.

"Transitional Costs" has the meaning set forth in Schedule C of this Agreement.

"Unforced Capacity" or "UCAP" means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

"Variable Costs" means all (i) costs that are not Fixed Costs and include the expected cost of fuel, purchased power, hedging costs incurred by NYPA to serve NYCHA, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for NYCHA pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at NYCHA's directive. An illustrative example of Variable Costs is provided on Schedule F.

"Zero Emission Credits" has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR ELECTRIC SERVICE (TO BE ATTACHED WHEN FINAL)
APPLICATION FOR ELECTRIC SERVICE

NEW YORK CITY HOUSING AUTHORITY (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this application is accepted by Authority, firm power and energy will be supplied to Customer to the extent that Authority determines that it has capacity available to provide such power and energy. Firm power and energy expected to be available for sale soon pursuant to the applicable tariff will become available in part when the Authority's Indian Point No. 3 generating plant reaches commercial operation and additional firm power and energy will become available when the Authority's Astoria No. 6 plant is also in commercial operation. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Priority in the acceptance of application for the service requested in this application shall be given to the Metropolitan Transportation Authority, its subsidiary corporations, the New York City Transit Authority,
the Port Authority of New York and New Jersey, the City of New York, the State of New York, the United States, other public corporations within the metropolitan area of the City of New York within the State of New York and then to other exempt persons as defined in 26 U.S.C. 103 (c) (3), located in New York City and Westchester County to the extent feasible in accordance with Section 1005 of the Power Authority Act.

Priority with respect to the firm power and energy not sold to the entities listed above shall be afforded to electric companies serving New York City and Westchester County also in accordance with Section 1005 of the Power Authority Act.

(3) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customers' facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this application and the furnishing of electric service hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Service Tariff, both as they may be later amended from time to time.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority
Act this application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer  \[\text{NYC E.H. H.}\]

By  \[\text{John H. III}\]

Title  \[\text{GENERAL MANAGER}\]

Date  \[9/1/76\]

(Attest)  \[\text{Ann. L.}\]

Accepted:

Power Authority of the State of New York

By  \[\text{Chairman}\]

Date  \[September 23, 1976\]

(Attest)

By  \[\text{Dixie L. Schriner}\]

Add. Secretary
State of New York) ss.:  
County of New York

On this 3d day of September, 1976, before me personally came James A. FitzPatrick and John C. Bruel, to me known, who each being by me duly sworn, did severally depose and say that they reside in Plattsburgh and New York City respectively, and that they are, respectively, Chairman and Secretary of Power Authority of The State of New York, a Corporation described in and which executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Helen J. deCarmich  
Notary Public in the State of New York  
Residing in the County of New York  
My Commission expires 1977

(Notarial Seal)

ACKNOWLEDGMENT OF SIGNATORY OF CUSTOMER

State of New York } ss.:  
County of New York

On this 2d day of September, 1976, before me personally came and appeared John Sitten, to me known, who being duly sworn, did depose and say that he is the General Manager of the NEW YORK CITY HOUSING AUTHORITY described in and which executed the foregoing instrument; that by virtue of the authority conferred on him he subscribed his name to the foregoing instrument and that he executed the same for the purpose therein stated.

(Notary Public Signature)
ACKNOWLEDGMENT OF ATTESTING OFFICER OF CUSTOMER

State of New York 
County of New York } ss.: 

On this 22nd day of September 1976, before me personally came and appeared Normal Payares, to me known, who, being duly sworn, did depose and say that he is the Attesting Officer of the NEW YORK CITY HOUSING AUTHORITY described in and which executed the foregoing instrument; that he knows the seal of said Authority; that he is an official custodian of such seal; that one of the impressions appearing on said instrument is a true and correct impression of signature by virtue of the authority in him vested.

[Signature]
Notary Public

[Notary's seal and signature]

[Notary's information]

[Certificate filed in New York]

[Commission Expires]
POWER AUTHORITY OF THE STATE OF NEW YORK
10 Columbus Circle, New York, N.Y. 10019

Service Tariff No. 17
Schedule of Rates for Firm Power Service

Applicable:
To sale of firm power and energy to customers who receive
delivery and service through the utility company in whose franchise
area customers' facilities are located.

Character of Service:
Alternating current; 60 hertz; 3 phase

Rates:
Rates for firm power and energy shall initially consist of:
(1) General Use - Small
   Energy Charge 3.16 cents per kilowatt hour
(2) General Use - Large
   Demand Charge $6.24 per month per kilowatt of
                  billing demand
   Energy Charge 1.23 cents per kilowatt hour
(3) Multiple Dwellings - Redistribution
   Demand Charge $7.98 per month per kilowatt of
                  billing demand
   Energy Charge 1.23 cents per kilowatt hour

Energy Charge Adjustment - The charges set forth herein shall be
subject to a monthly adjustment per kilowatt hour provided here-
under when changes from the base cost of energy occur as described
in Special Provision F.

(4) A delivery-service charge set forth in Appendices C, G,
    and H of this Service Tariff and payable to Authority by Customer
    as reimbursement to the utility company providing delivery-service
    for the use of its facilities and for services rendered in conjunc-
    tion with the delivery of power and energy to Customer.
Minimum Charge:

Customer shall be responsible for a minimum bill equal to:

(1) Where usage is measured by both demand and energy meters or where usage is unmetered, 75% of the product of the demand charge and the maximum monthly billing demand for the previous twelve months.

(2) Where usage is measured by energy meters alone, the charge for 10 kilowatt-hours of usage.

Such minimum bill shall be exclusive of minimum charges applicable to delivery service.

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.

Billing Period:

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

Payment:

Bills computed under this Service Tariff are due and payable at the office of the Authority within ten (10) days of the date of bill, subject to late payment in accordance with provision 454.6 (b) of the Rules and Regulations for Power Service. In the event that there is a dispute on any items 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.
Power Factor:

Authority may require Customer normally to maintain power factor not less than 90%, lagging or leading, at the point of delivery.

Continuance and Termination of Service:

Initiation of service will be upon accepted application of Customer, under the procedure specified in the Rules and Regulations for Power Service.

Once initiated, service will continue until terminated by Authority pursuant to required notice as provided in the Rules and Regulations for Power Service. Customer may reduce or terminate service 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. Until actually terminated, the Minimum Charge provision of this tariff shall apply.

Special Provisions:

Special provisions for service supplementing or modifying the Rules and Regulations for Power Service are as follows:

A. Installments - Initial service may be in installments as Customer may require the power and energy or as Authority can make it available.

B. Notice of Adjustments in Charges

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 and Regulations for Power Service, it will notify Customer in writing of the revised charges not less than thirty (30) days in advance of the effective date thereof.

Authority shall notify Customer not less than thirty (30) days in advance of the effective date of adjustments in the delivery-service charge. Changes in energy charge adjustment will be indicated on the monthly bill without prior notice.

C. Apportionment of Charges When Customer is Delivered Power and Energy Provided by Authority and Power and Energy Provided by Utility Company

If the total firm power and energy delivered to the Customer is provided partly by the Authority and partly by the utility furnishing delivery-service the total charges to the Customer will be partly at the Authority's rates and partly at the utility's rates.

D. Change in Customer Requirement

Additional Power and Energy. Customer agrees to advise Authority on the first day of July of each year of its estimated overall power and energy requirements for the next succeeding five-year period.

If at any time during the term Customer shall determine that it will require firm power and energy in excess of its firm capacity allotment, Customer shall give Authority written notice of the amounts which and the date on which it desires such additional power and energy and shall include in such notification facts supporting such additional requirements. Within ninety (90) days after receipt of such notice, Authority shall
notify Customer of the amounts in which and the dates on which it determines, in its sole discretion, that it can make such additional power and energy available to Customer.

**New, Enlarged or Altered Service** - Customer shall give Authority and the utility providing delivery-service reasonable advance notice of the location of any requirement for a material increase in load such that adequate facilities may be provided. If the Authority determines it can serve the additional power and energy requested or the altered service, the Customer will deal with the appropriate representative of the utility with respect to the arrangements for a new delivery point or an enlarged or altered service at an existing delivery point. Any new, enlarged or altered delivery service required by Customer will be provided by the utility. When such delivery service requires facilities for which the utility would make a special charge to its own customers or would require the Customer to make the installation, Customer will compensate Authority, who will then reimburse the utility in an amount not to exceed the compensation which would be payable by a customer of the utility in comparable circumstances. Customer shall have the option of installing needed facilities at its own expense provided they meet the utility's specifications.

**E. Transfer of Service** - In the event that Customer desires to discontinue Authority electric service or Authority should find it necessary to discontinue electric service to Customer, transfer of such service from Authority to the utility in whose franchise area customer is located shall be effected, provided such customer
meets the utility's prerequisites for service, as set forth in the utility's filed Schedule for Electricity Service.

F. Energy Charge Adjustment

The charge for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" for the previous two months as stated herein increases or decreases from the specified base cost.

The base cost of energy expressed in cents per kilowatt hour billed is 1.177 cents. Such base cost may be amended from time to time.

The "average cost of energy" shall be equal to the sum of (i) the fuel and fuel related charges incurred by the Authority from its thermal generating units normally furnishing energy under this tariff and the value of energy as determined by Authority from other Authority Projects in generation of firm power and energy for its Customers supplied under this tariff and (ii) the amount paid by the Authority for power and energy purchased from other suppliers, including transmission charges and additional capacity charges, if any, associated with such deliveries, less credits from sales of reserve energy; all divided by the total kilowatthours of energy billed to such Customers.

The difference between the "average cost of energy" and the base cost of energy shall be added to or subtracted from the charges per kilowatthour for energy specified in this Service Tariff.

G. Additional Regulations - The supply of service hereunder to Customer is subject to the provisions of the Schedule
for Electricity Service of the utility providing delivery-service as filed with the Public Service Commission and as may be amended and supplemented from time to time, provided that in the event of any inconsistency, conflict or difference between the provisions of this Service Tariff or the Authority's Rules and Regulations for Power Service, and those contained in such Schedule for Electricity Service, the provisions of this Service Tariff and the Authority's Rules and Regulations shall govern.

H. **Redistribution of Electric Service** - Customer may resell, remeter (or submeter), or redistribute electric service to his tenants or occupants, in the premises supplied by Authority, only if and to the extent that such is authorized by the Authority and not violative of any statutes, laws, rules or regulations of any body having jurisdiction in the premises.

I. **Supplementary Provision** - Section 454.6(d) of Authority's Rules and Regulations for Power Service shall not be applicable to service hereunder.

J. **Adjustment Factor** - The Demand Charge, Energy Charge and the Fuel Adjustment shall be multiplied by a factor equal to the efficiency factor ratio of Customer, which represents the ratio of the power and energy delivered to the system of the utility providing delivery-service and the power and energy received by Customer.

K. **Notices** - Customer shall notify Authority and the utility in writing in advance when service is to be discontinued at existing premises. Customer shall provide the name and address,
if known, of the successor in occupancy of such premises or portion thereof. If Customer desires service from Authority at another location Customer shall file an amended application pursuant to Authority's requirements.

L. Payment of Estimated Bill - Approximately 10 days prior to initial service Authority will render to Customer an estimated bill for service during the first monthly billing period. This bill will be due and payable within 10 days in accordance with the payment provision of this Service Tariff. Authority will render a similar estimated bill approximately 10 days prior to the start of the second monthly billing period which will be similarly due and payable within 10 days. Thereafter Authority will render to Customer final bill approximately 20 days after the conclusion of each billing period. Authority will also render to Customer at the same time an estimated bill for the next following billing period which will be due and payable within 10 days. Any overpayment by Customer for a previous estimated bill as determined by the final bill for such billing period will be treated as a credit towards the new estimated bill. Any underpayment will be added to the new estimated bill. The new estimated bill and any such underpayment will be due and payable within 10 days of submission in accordance with the payment provision of this Service Tariff.
APPENDIX C

DELIVERY SERVICE CHARGE

Applicable:

To use of service for light, heat and power for general uses where the Customer's requirements do not exceed 10 kilowatts.

Rate:

Charge based on energy (per month)

For the first 10 kw/hr (or less) .......... $4.61
For the next 890 kw/hr .... 3.91 cents per kw/hr
For excess over 900 kw/hr .... 3.25 cents per kw/hr

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No.1 unit.

Minimum Charge

$4.61 per month, exclusive of adjustment to delivery-service charge.
General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility which has heretofore supplied the power requirements of Customer in whole or in part; and nothing therein 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.
APPENDIX G

DELIVERY SERVICE CHARGE

Applicable:

To use of service for light, heat and power for multiple dwellings when Customer's requirements are in excess of 10 kilowatts and electricity is redistributed to residential tenants on a rent inclusion basis.

Rate:

<table>
<thead>
<tr>
<th>Charge based on Demand (per month)</th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each kilowatt of demand</td>
<td>$5.17</td>
<td>$4.81</td>
</tr>
</tbody>
</table>

Charge based on Energy (per month)-for both low and high tension service

| For the first 80,000 kwhr               | ........            | .81cents per kwhr   |
| For the next 720,000 kwhr              | ........            | .37cents per kwhr   |
| For excess over 800,000 kwhr           | ........            | ——cents per kwhr    |

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.
3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.

Minimum Charge:
The charge for 10 kilowatts of demand, exclusive of charge based on energy and adjustment to delivery-service charge.

General Provision:
Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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 or any privilege or service heretofore enjoyed by Customer.
APPENDIX H

DELIVERY-SERVICE CHARGE

Applicable:

To use of service for light, heat and power for general uses where Customer's requirements are in excess of 10 kilowatts.

Rate:

Charge based on Demand (per month) -

<table>
<thead>
<tr>
<th></th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
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<tbody>
<tr>
<td>For the first 1,300kw of billing demand</td>
<td>$7.30 per kw</td>
<td>$6.97 per kw</td>
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<tr>
<td>For excess over 1,300kw of billing demand</td>
<td>$6.68 per kw</td>
<td>$6.35 per kw</td>
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Charge based on Energy (per month) - for both low and high tension service

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<th>13</th>
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<tbody>
<tr>
<td>For the first 1,500,000kwhr</td>
<td>cents per kwhr</td>
</tr>
<tr>
<td>For excess over 1,500,000kwhr</td>
<td></td>
</tr>
</tbody>
</table>

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the applicable percentage rate of the taxes imposed by the municipality where service is supplied on the revenues of the utility providing such delivery service.

2) For a period of three years commencing April 8, 1976, there shall be a rate adjustment per kilowatthour attributable to the deferral and amortization of unrecovered fuel costs resulting from an increase in the base cost of fuel as authorized by the Public Service Commission in Consolidated Edison rate case 26827.

3) To the extent allowed by the Public Service Commission, there shall be a rate adjustment per kilowatthour for unrecovered fuel costs attributable to the Indian Point No. 1 unit.
APPENDIX H

DELIVERY-SERVICE CHARGE

Applicable:
To use of service for light, heat and power for general
uses where Customer's requirements are in excess of 10 kilowatts.

Rate:

<table>
<thead>
<tr>
<th>Charge based on Demand (per month)</th>
<th>Low Tension Service</th>
<th>High Tension Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first 1,300kw of billing demand</td>
<td>$7.30 per kw</td>
<td>$6.97 per kw</td>
</tr>
<tr>
<td>For excess over 1,300kw of billing demand</td>
<td>$6.68 per kw</td>
<td>$6.35 per kw</td>
</tr>
</tbody>
</table>

Charge based on Energy (per month)-
for both low and high tension service

| For the first 1,500,000kwhr | .13 cents per kwhr |
| For excess over 1,500,000kwhr | |

Adjustment to Delivery Charge:

1) The delivery-service charge shall be increased by the
applicable percentage rate of the taxes imposed by the munici-
pality where service is supplied on the revenues of the
utility providing such delivery service.

2) For a period of three years commencing April 8, 1976,
there shall be a rate adjustment per kilowatthour attributable
to the deferral and amortization of unrecovered fuel costs
resulting from an increase in the base cost of fuel as authorized
by the Public Service Commission in Consolidated Edison rate
case 26827.

3) To the extent allowed by the Public Service Commission,
there shall be a rate adjustment per kilowatthour for un-
recovered fuel costs attributable to the Indian Point No. 1
unit.
Minimum Charge:

The charge for 5 kilowatts of demand, exclusive of charge based on energy and adjustment to delivery-service charge.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
SCHEDULE B

FIXED COSTS ALLOCATION
EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY
# SCHEDULE B
## FIXED COSTS ALLOCATION

### Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges. All Groups are taking their full Allocated Shares of the 500 MW Plant.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>Relinquished Allocated</th>
<th>500 MW Fixed Costs Allocated Share</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW NYPAs’ LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>5.9%</td>
<td>29,476</td>
<td>$6,189,960</td>
<td>$515,830</td>
<td>$5,718,344</td>
</tr>
<tr>
<td>2</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>25.0%</td>
<td>104,971</td>
<td>$26,243,910</td>
<td>$2,186,993</td>
<td>$24,244,374</td>
</tr>
<tr>
<td>3</td>
<td>Group 3</td>
<td>818,832</td>
<td>46.7%</td>
<td>46.7%</td>
<td>233,331</td>
<td>$49,041,310</td>
<td>$4,086,793</td>
<td>$45,305,014</td>
</tr>
<tr>
<td>4</td>
<td>Group 4</td>
<td>818,832</td>
<td>46.7%</td>
<td>46.7%</td>
<td>233,331</td>
<td>$49,041,310</td>
<td>$4,086,793</td>
<td>$45,305,014</td>
</tr>
<tr>
<td>5</td>
<td>Group 5</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>6</td>
<td>Group 6</td>
<td>233,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>7</td>
<td>Group 7</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>8</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>100.0%</td>
<td>500,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>

### Scenario 2: Group 3 decreases their share of the 500 MW Plant by 10%. The decreased share is not reallocated to other Groups.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>Relinquished Allocated</th>
<th>500 MW Fixed Costs Allocated Share</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW NYPAs’ LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>5.9%</td>
<td>29,476</td>
<td>$6,189,960</td>
<td>$515,830</td>
<td>$5,718,344</td>
</tr>
<tr>
<td>10</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>25.0%</td>
<td>104,971</td>
<td>$26,243,910</td>
<td>$2,186,993</td>
<td>$24,244,374</td>
</tr>
<tr>
<td>11</td>
<td>Group 3</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>12</td>
<td>Group 4</td>
<td>233,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>13</td>
<td>Group 5</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>14</td>
<td>Group 6</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>15</td>
<td>Group 7</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>16</td>
<td>NYPAs’ LSE</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>100.0%</td>
<td>500,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>

### Scenario 3: Group 3 decreases their share of the 500 MW Plant by 10%. The decreased share is reallocated to Group 2.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>Relinquished Allocated</th>
<th>500 MW Fixed Costs Allocated Share</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW NYPAs’ LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>5.9%</td>
<td>29,476</td>
<td>$6,189,960</td>
<td>$515,830</td>
<td>$5,718,344</td>
</tr>
<tr>
<td>19</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>25.0%</td>
<td>104,971</td>
<td>$26,243,910</td>
<td>$2,186,993</td>
<td>$24,244,374</td>
</tr>
<tr>
<td>20</td>
<td>Group 3</td>
<td>818,832</td>
<td>46.7%</td>
<td>46.7%</td>
<td>233,331</td>
<td>$49,041,310</td>
<td>$4,086,793</td>
<td>$45,305,014</td>
</tr>
<tr>
<td>21</td>
<td>Group 4</td>
<td>818,832</td>
<td>46.7%</td>
<td>46.7%</td>
<td>233,331</td>
<td>$49,041,310</td>
<td>$4,086,793</td>
<td>$45,305,014</td>
</tr>
<tr>
<td>22</td>
<td>Group 5</td>
<td>233,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>23</td>
<td>Group 6</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>24</td>
<td>Group 7</td>
<td>323,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>17,036</td>
<td>$14,158,160</td>
<td>$1,168,180</td>
<td>$13,171,824</td>
</tr>
<tr>
<td>25</td>
<td>NYPAs’ LSE</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>100.0%</td>
<td>500,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>
### SCHEDULE B continued

**Scenario 4: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is reallocated to all other Groups.**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>Relinquished</th>
<th>Annual</th>
<th>Monthly</th>
<th>500 MW</th>
<th>NYPa’s LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D9 KW</td>
<td>Allocation %</td>
<td>D9 KW</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>Fixed Costs</td>
<td>Fixed Costs</td>
<td>Fixed Costs</td>
</tr>
<tr>
<td>27</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.3%</td>
<td>32,059</td>
<td>6,691,110</td>
<td>$557,593</td>
<td>$6,219,494</td>
<td>$471,616</td>
</tr>
<tr>
<td>28</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>27.2%</td>
<td>135,923</td>
<td>28,368,665</td>
<td>2,364,055</td>
<td>26,369,129</td>
</tr>
<tr>
<td>29</td>
<td>Group 3</td>
<td>816,832</td>
<td>46.7%</td>
<td>42.0%</td>
<td>210,178</td>
<td>44,511,099</td>
<td>3,799,251</td>
<td>40,774,513</td>
</tr>
<tr>
<td>30</td>
<td>Group 4</td>
<td>91,586</td>
<td>5.1%</td>
<td>25.401</td>
<td>5,301,404</td>
<td>441,794</td>
<td>4,927,740</td>
<td>373,604</td>
</tr>
<tr>
<td>31</td>
<td>Group 5</td>
<td>236,064</td>
<td>15.6%</td>
<td>14.8%</td>
<td>73,846</td>
<td>15,412,527</td>
<td>1,264,777</td>
<td>1,426,191</td>
</tr>
<tr>
<td>32</td>
<td>Group 6</td>
<td>53,366</td>
<td>3.0%</td>
<td>3.3%</td>
<td>16,535</td>
<td>3,451,111</td>
<td>287,593</td>
<td>3,207,669</td>
</tr>
<tr>
<td>33</td>
<td>Group 7</td>
<td>15,527</td>
<td>1.1%</td>
<td>1.2%</td>
<td>6,057</td>
<td>1,264,174</td>
<td>105,348</td>
<td>99,104</td>
</tr>
<tr>
<td>34</td>
<td>NYPa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100%</td>
<td>100.0%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
</tr>
</tbody>
</table>

**Scenario 5: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped to not exceed the new 500MW Plant allocation (kW).**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D9 KW</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>Reallocation %</td>
<td>Allocation (kW)</td>
<td>Reallocation %</td>
<td>Allocation (kW)</td>
<td>Reallocation %</td>
</tr>
<tr>
<td>36</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.7%</td>
<td>32,055</td>
<td>6.4%</td>
<td>32,055</td>
<td>6,690,325</td>
<td>$557,572</td>
</tr>
<tr>
<td>37</td>
<td>Group 2</td>
<td>450,000</td>
<td>26.3%</td>
<td>125,433</td>
<td>25.1%</td>
<td>125,433</td>
<td>26,333,615</td>
<td>2,194,468</td>
</tr>
<tr>
<td>38</td>
<td>Group 3</td>
<td>750,000</td>
<td>45.9%</td>
<td>209,056</td>
<td>41.3%</td>
<td>209,056</td>
<td>44,293,294</td>
<td>3,691,163</td>
</tr>
<tr>
<td>39</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.7%</td>
<td>22,299</td>
<td>4.5%</td>
<td>22,299</td>
<td>4,699,722</td>
<td>391,644</td>
</tr>
<tr>
<td>40</td>
<td>Group 5</td>
<td>240,000</td>
<td>14.0%</td>
<td>66,898</td>
<td>13.4%</td>
<td>66,898</td>
<td>14,645,111</td>
<td>1,172,047</td>
</tr>
<tr>
<td>41</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.5%</td>
<td>16,724</td>
<td>3.3%</td>
<td>16,724</td>
<td>3,497,792</td>
<td>200,649</td>
</tr>
<tr>
<td>42</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>4,181</td>
<td>0.8%</td>
<td>4,181</td>
<td>900,240</td>
<td>75,020</td>
</tr>
<tr>
<td>43</td>
<td>NYPa</td>
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<td></td>
</tr>
<tr>
<td>44</td>
<td>Grand Total</td>
<td>1,710,000</td>
<td>100%</td>
<td>500,000</td>
<td>100.0%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
</tr>
</tbody>
</table>
### Scenario 6: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped at the originally relinquished amount level.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.5%</td>
<td>31,145</td>
<td>6.2%</td>
<td>31,145</td>
<td>6,513,657</td>
<td>$ 542,805</td>
<td>$ 542,805</td>
<td>$ 6,042,041</td>
<td>$ 471,616</td>
</tr>
<tr>
<td>46</td>
<td>Group 2</td>
<td>450,000</td>
<td>25.6%</td>
<td>121,870</td>
<td>24.4%</td>
<td>121,870</td>
<td>25,642,306</td>
<td>$ 2,136,859</td>
<td>$ 2,136,859</td>
<td>$ 23,642,770</td>
<td>$ 1,999,536</td>
</tr>
<tr>
<td>47</td>
<td>Group 3</td>
<td>800,000</td>
<td>45.5%</td>
<td>216,658</td>
<td>42.0%</td>
<td>210,178</td>
<td>44,511,099</td>
<td>$ 3,709,251</td>
<td>$ 3,709,251</td>
<td>$ 40,774,513</td>
<td>$ 3,736,496</td>
</tr>
<tr>
<td>48</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.5%</td>
<td>21,666</td>
<td>4.3%</td>
<td>21,666</td>
<td>4,576,823</td>
<td>$ 381,402</td>
<td>$ 381,402</td>
<td>$ 4,203,159</td>
<td>$ 373,664</td>
</tr>
<tr>
<td>49</td>
<td>Group 5</td>
<td>240,000</td>
<td>13.6%</td>
<td>64,997</td>
<td>13.0%</td>
<td>64,997</td>
<td>13,695,813</td>
<td>$ 1,141,318</td>
<td>$ 1,141,318</td>
<td>$ 12,609,477</td>
<td>$ 1,086,336</td>
</tr>
<tr>
<td>50</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.4%</td>
<td>16,249</td>
<td>3.2%</td>
<td>16,249</td>
<td>3,395,617</td>
<td>$ 282,988</td>
<td>$ 282,988</td>
<td>$ 3,152,369</td>
<td>$ 243,248</td>
</tr>
<tr>
<td>51</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>4,062</td>
<td>0.8%</td>
<td>4,062</td>
<td>877,196</td>
<td>$ 73,100</td>
<td>$ 73,100</td>
<td>$ 788,092</td>
<td>$ 89,104</td>
</tr>
<tr>
<td>52</td>
<td>NYPA¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,353</td>
<td>69,000</td>
<td>69,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>53</td>
<td>Grand Total</td>
<td>1,760,000</td>
<td>100%</td>
<td>500,000</td>
<td>100%</td>
<td>500,000</td>
<td>105,000,000</td>
<td>$ 8,750,000</td>
<td>$ 8,750,000</td>
<td>$ 97,000,000</td>
<td>$ 8,000,000</td>
</tr>
</tbody>
</table>

### Scenario 7: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 4. The Allocated Shares reset during the 2020 process. The originally relinquished as well as the re-allocated amounts to other Groups are capped at the originally relinquished/reallocated amount levels.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2018-2019 Av D9 kW</th>
<th>2018-2019 Av Allocation %</th>
<th>500 MW Allocation (kW)</th>
<th>500 MW Share Reallocation %</th>
<th>500 MW NW Share (kW)</th>
<th>Annual Fixed Costs Allocated Share</th>
<th>Monthly Fixed Costs Allocated Share</th>
<th>500 MW NYPAs LSE</th>
<th>NYPA's LSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>Group 1</td>
<td>115,000</td>
<td>6.5%</td>
<td>31,145</td>
<td>6.7%</td>
<td>33,728</td>
<td>$ 7,014,803</td>
<td>$ 584,567</td>
<td>$ 6,543,192</td>
<td>$ 471,616</td>
</tr>
<tr>
<td>55</td>
<td>Group 2</td>
<td>450,000</td>
<td>25.6%</td>
<td>121,870</td>
<td>26.6%</td>
<td>132,822</td>
<td>27,767,060</td>
<td>$ 2,313,922</td>
<td>$ 25,767,524</td>
<td>$ 1,999,536</td>
</tr>
<tr>
<td>56</td>
<td>Group 3</td>
<td>800,000</td>
<td>45.5%</td>
<td>216,658</td>
<td>42.0%</td>
<td>210,178</td>
<td>44,511,099</td>
<td>$ 3,709,251</td>
<td>$ 40,774,513</td>
<td>$ 3,736,496</td>
</tr>
<tr>
<td>57</td>
<td>Group 4</td>
<td>80,000</td>
<td>4.5%</td>
<td>21,666</td>
<td>4.7%</td>
<td>23,712</td>
<td>4,973,887</td>
<td>$ 414,491</td>
<td>$ 4,600,223</td>
<td>$ 373,664</td>
</tr>
<tr>
<td>58</td>
<td>Group 5</td>
<td>240,000</td>
<td>13.6%</td>
<td>64,997</td>
<td>14.2%</td>
<td>70,948</td>
<td>14,850,180</td>
<td>$ 1,237,515</td>
<td>$ 13,763,844</td>
<td>$ 1,086,336</td>
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<tr>
<td>59</td>
<td>Group 6</td>
<td>60,000</td>
<td>3.4%</td>
<td>16,249</td>
<td>3.5%</td>
<td>17,582</td>
<td>3,654,098</td>
<td>$ 304,508</td>
<td>$ 3,410,850</td>
<td>$ 243,248</td>
</tr>
<tr>
<td>60</td>
<td>Group 7</td>
<td>15,000</td>
<td>0.9%</td>
<td>4,062</td>
<td>0.9%</td>
<td>4,550</td>
<td>971,880</td>
<td>$ 80,990</td>
<td>$ 882,776</td>
<td>$ 89,104</td>
</tr>
<tr>
<td>61</td>
<td>NYPA¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,353</td>
<td>69,000</td>
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<tr>
<td>62</td>
<td>Grand Total</td>
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<td>100%</td>
<td>500,000</td>
<td>100%</td>
<td>500,000</td>
<td>$ 105,000,000</td>
<td>$ 8,750,000</td>
<td>$ 97,000,000</td>
<td>$ 8,000,000</td>
</tr>
</tbody>
</table>

**Sources & Notes**

1. Reduction in Group 3 load has been assigned to NYPA, if unclaimed, for purposes of calculating revised allocation factors.
2. Same allocation principles shall apply to the allocation of the 500MW Plant Variable Costs.
3. Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover NYCHA’s share of the Transitional Costs in equal payments over a three (3) year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td>$177,347</td>
<td></td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$399,607</td>
<td></td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
<td></td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
<td></td>
<td></td>
<td>$22,600</td>
<td></td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
<td></td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>$4,836,544</td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

Subject to NYCHA’s approval, the following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and NYCHA’s share of the expense may be passed through to NYCHA on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support ---- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
## SCHEDULE E

### LOAD BUS NAMES & INCLUDED CUSTOMERS

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zone I</strong></td>
<td></td>
</tr>
<tr>
<td>SENA-NYCHA_CE_DUNWOODI</td>
<td>NYCHA</td>
</tr>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENA-NYCHA_CE_NY-CITY</td>
<td>NYCHA</td>
</tr>
</tbody>
</table>
**SCHEDULE F**

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$30,963,781</td>
<td></td>
</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$20,605,651</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$8,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(4) Zone A CFD’s</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(5) Zone B (St. Lawrence Bus)</td>
<td>$2,253,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6) Zone D CFD</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7) Zone G (Ashoken Bus)</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(8) Zone G CFD’s</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9) Marginal Losses</td>
<td>$1,500,838</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(10) Balancing Energy</td>
<td>$451,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(11) Congestion Charges</td>
<td>$4,620,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(12) Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(13) Ancillary Services expense Schedule 1 through 6</td>
<td>$1,637,641</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(14) NSAC</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(15) Transmission Facilities Charge</td>
<td>$134,613</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(16) Needleman 1 Facility Charge</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(17) Purchase Power - Other</td>
<td>$0</td>
<td>Rate based</td>
</tr>
<tr>
<td>(18) Clean Energy Standard Purchases</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>(19) Purchase Power - Capacity</td>
<td>$2,059,503</td>
<td>Pass-through/99%</td>
</tr>
<tr>
<td>(20) NYCC, including 500 MW offset</td>
<td>$688,484</td>
<td>Pass-through/99%</td>
</tr>
<tr>
<td>(21) RGS</td>
<td>$150,562</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(22) LHV</td>
<td>$683,965</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(23) Demand Curve</td>
<td>$599,933</td>
<td></td>
</tr>
<tr>
<td>(24) NYC (In-City &amp; In-City RDS)</td>
<td>$137,781</td>
<td></td>
</tr>
<tr>
<td>(25) LNG</td>
<td>$12,087</td>
<td></td>
</tr>
<tr>
<td>(26) LHV</td>
<td>$446,715</td>
<td></td>
</tr>
</tbody>
</table>

(27) Transmission Congestion Contracts (TCC) | ($2,286,414) | |
(28) GFTCC Cost (500 MW Upper Path) | $1,514,600 | E1** |
(29) GFTCC Rent (500 MW Upper Path) | ($4,835,843) | E1** |
(30) MPTCC Cost (500 MW Lower Path) | NA | E1** |
(31) MPTCC Rent (500 MW Lower Path) | NA | E1** |
(32) Other GFTCC - Congestion Reimbursement - Con Ed | $1,020,009 | E1** |
(33) 500 MW CBU | NA | D9* |
(34) Revenues & Cost | ($1,999,986) | D9* |
(35) Energy Revenues | ($5,999,959) | D9* |
(36) Ancillary Services Revenues | ($428,117) | D9* |
(37) Ancillary Service Expenses | $47,388 | D9* |
(38) Fuel Expense | NA | D9* |
(39) Base Fuel Expense | $5,417,780 | D9* |
(40) Fuel Expense | NA | D9* |
(41) HGIL Expense | $381,322 | D9* |
(42) Supplemental Bid Production Cost Guarantee | ($446,592) | D9* |
(43) Zone J CFD Settlement | NA | D9* |
(44) Business Interruption Insurance | $43,333 | D9* |
(45) Evasion Credits | $0 | D9* |
(46) Balancing Energy | $9,677 | D9* |


**Avg. 2016-2015 E1.5% Allocation for the term of the Agreement
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
SCHEDULE H

500 MW Plant Annual Debt Service Payments\(^1\)

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

**Notes**

\(^1\) Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City Housing Authority

Service Tariff No. 120

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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</thead>
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</tr>
<tr>
<td>2. Provision of Delivery Service</td>
</tr>
<tr>
<td>3. Temporary Service</td>
</tr>
<tr>
<td>4. Initiation, Continuance, and Termination of Service</td>
</tr>
<tr>
<td>5. Transfer of Service</td>
</tr>
<tr>
<td>6. Redistribution of Electric Service</td>
</tr>
<tr>
<td>F. Billing Demand</td>
</tr>
<tr>
<td>G. Billing Period</td>
</tr>
<tr>
<td>H. Payment</td>
</tr>
<tr>
<td>I. Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party</td>
</tr>
<tr>
<td>J. Customer Information for Supply Planning</td>
</tr>
<tr>
<td>K. Bill Proration</td>
</tr>
<tr>
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</tr>
<tr>
<td>A. Energy Charge Adjustment</td>
</tr>
<tr>
<td>B. Effective Date of Rates and Charges</td>
</tr>
<tr>
<td>C. NYISO-Related Charges</td>
</tr>
<tr>
<td>D. Distribution Losses</td>
</tr>
<tr>
<td>E. Production Rate Structure Updates</td>
</tr>
<tr>
<td>F. Production Rate Development</td>
</tr>
<tr>
<td>VII. Special Provisions Applicable to Delivery Service</td>
</tr>
<tr>
<td>A. Rates and Charges</td>
</tr>
<tr>
<td>1. Gross Receipt Tax Surcharge</td>
</tr>
<tr>
<td>2. Delivery Revenue Surcharge</td>
</tr>
<tr>
<td>3. Revenue Decoupling Mechanism Adjustment</td>
</tr>
<tr>
<td>4. 18-a Assessment Surcharge</td>
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<tr>
<td>5. Smart Grid Surcharge</td>
</tr>
<tr>
<td>6. Reactive Power Demand Charge</td>
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<tr>
<td>7. Other Charges and Adjustments</td>
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</table>

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<td>B</td>
<td>Delivery Service Rate Schedule</td>
<td>40</td>
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<tr>
<td>C</td>
<td>Adjustment of Charges</td>
<td>40</td>
</tr>
<tr>
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<td>40</td>
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<td>I</td>
<td>Delivery Rate Development</td>
<td>42</td>
</tr>
<tr>
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<td>Rights</td>
<td>42</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Housing Authority
Service Tariff No. 120

I. Applicability
To sale of firm power and energy by Authority to the New York City Housing Authority ("Customer") and associated Accounts 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 Customer's facilities are located.

II. Frequently used Abbreviations and Terms

**Abbreviations:**
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

**Account(s):** A metered or billed location based on Customer billing characteristics.

**Agreement:** An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

**Authority:** New York Power Authority, an alternative name for the Power Authority of the State of New York.

**Customer:** The New York City Housing Authority 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 may include facilities in Westchester belonging to Customer.

**Delivery Service:** The service that Authority procures from Utility on behalf of Authority's governmental customers.

**Electric Service:** The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Fixed Costs:** This term has the meaning provided for in the Agreement.

(Frequently used Abbreviations and Terms – Continued on Leaf No. 6)
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCHARR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>$/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>$/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>$/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
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.
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.

**CONVENTIONAL**

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>5.184</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.840</td>
</tr>
</tbody>
</table>

**Time Period Conventional:**
- All hours, all days

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY Low Tension</th>
<th>DELIVERY High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>9.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.152</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>3.808</td>
<td></td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
<td>1.97</td>
</tr>
</tbody>
</table>

### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY Low Tension</th>
<th>DELIVERY High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>Summer</td>
<td>10.25</td>
<td>7.14</td>
</tr>
<tr>
<td></td>
<td>Transmission</td>
<td>10.25</td>
<td>7.14</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td></td>
<td>19.74</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td></td>
<td>21.68</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>10.25</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>10.25</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>10.25</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td>On Peak</td>
<td>6.85</td>
<td>6.85</td>
</tr>
<tr>
<td></td>
<td>Off Peak</td>
<td>3.422</td>
<td>n/a</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>5.209</td>
<td>3.405</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.391</td>
<td>3.422</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
<td>1.97</td>
</tr>
</tbody>
</table>

(Service Classification No. 68– Continued on Leaf No. 10)
Service Classification No. 68 - Continued

**Time Period Conventional:**
- All hours, all days

**Time Period TOD:**
- **Demand:**
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours
- **Energy Charge:**
  - On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)
  - Off-Peak: All other times

(Continued on Leaf No. 17)
Service Classification No. 68 (continued)

Multiple Dwellings - Redistribution

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provision - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.77</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.182</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>3.838</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td></td>
</tr>
</tbody>
</table>

### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td>Summer</td>
<td></td>
<td>7.51</td>
</tr>
<tr>
<td></td>
<td>Transmission</td>
<td>7.51</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>19.74</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>21.68</td>
</tr>
<tr>
<td>Winter</td>
<td></td>
<td>7.51</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>6.85</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.965</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.164</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td></td>
</tr>
</tbody>
</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
<table>
<thead>
<tr>
<th>Service Classification No. 69 (continued)</th>
</tr>
</thead>
</table>

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

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

**General Large**

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

<table>
<thead>
<tr>
<th>CONVENTIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCTION</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Demand ($/kW)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Time Period Conventional:
 All hours, all days

Season:
 Summer – June through September
 Winter – October through May

Production:
 The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.
Service Classification No. 82 (continued)
Multiple Dwellings Space Heating

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

**Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

**Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
As-Used Daily Standby Demand: The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

Excess Energy: Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

D. Rules of Service

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

E. Determination of Production Standby Demand Charges

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
## Service Classification 68 Conventional

<table>
<thead>
<tr>
<th></th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.275</td>
<td>0.255</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.292</td>
<td>0.271</td>
</tr>
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</table>

## Service Classification 68 Time of Day

<table>
<thead>
<tr>
<th></th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.307</td>
<td>0.285</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.327</td>
<td>0.303</td>
</tr>
</tbody>
</table>

## Service Classification 69 Conventional

<table>
<thead>
<tr>
<th></th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.233</td>
<td>0.217</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.248</td>
<td>0.231</td>
</tr>
</tbody>
</table>

## Service Classification 69 Time of Day

<table>
<thead>
<tr>
<th></th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.225</td>
<td>0.214</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.239</td>
<td>0.227</td>
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</table>

## Service Classification 82 Conventional

<table>
<thead>
<tr>
<th></th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.159</td>
<td>0.147</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.169</td>
<td>0.157</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy:** The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering:** The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges:** Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering:** A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account:** NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

C. **Requirements for Service:**

1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

D. **Metering:**

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

E. **Remote Net Metering:**

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.

   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.

   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

The following procedures shall apply:

(a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

(a) the first cycle date on which a reading is taken following the requested turn off date, or

(b) the date of a special reading, which a Customer may request for a charge.

After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 ("P.S.C. No. 12"), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

   (c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:
   a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.
   b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.
   c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. **Customer Information for Supply Planning**

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

K. **Bill Proration**

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment ("ECA"). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

   \[
   ECA\ rate\ (\$/kWh) = \frac{ECA\ balance}{forecasted\ energy\ (kWh)}
   \]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges ("TUC") which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge
   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge
   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.
   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.
   Statement
   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment
   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)
   Mechanism
   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later.

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. Smart Grid Surcharge

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. Reactive Power Demand Charge

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. Other Charges and Adjustments

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement)” filed with the Public Service Commission.

a. Charge for Demand Management Programs

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSR), under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSR, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. **Charge for PJM OATT Rates and Charges**

The charge for PJM OATT rates and charges ("PJM OATT Charge") will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility's PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas ("PSEG") wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. **Charges Associated with the Brooklyn/Queens Demand Management Program**

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program ("BQDMP"), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
### d. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

### e. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

### f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

### g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT (“Agreement”) dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended (“NYPA”) and Port Authority of New York and New Jersey (“Port” or “Port Authority”), created in 1921 by a compact between the states of New York and New Jersey that was approved by the U.S. Congress. NYPA and the Port are referred to herein collectively, as the “Parties” and individually, as a “Party”.

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and the Port dated September 23, 1976 (“Application for Electric Service”), NYPA supplies electricity to the Port;

WHEREAS, effective as of April 6, 2005, the Parties entered into an agreement to supplement the Application for Services (the “2005 Agreement”); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for the Port, and the Port agrees to remain a customer of NYPA subject to the terms set forth herein. The Port will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. (“Con Edison”) via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the Port, NYPA will only charge the Port for costs incurred by NYPA to provide power to the Port, as such costs are specifically identified in this Agreement.
2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:

(a) Subject to the specific provisions hereof, the Port shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) The Port agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) The Port agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the Port’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) Subject to any applicable regulatory and statutory compliance, the Port, at its option, may work with NYPA to structure hedges for its portfolio, as provided in Section 5.9 below.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) The Port may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) Either Party may terminate this Agreement with a termination date effective December 31, 2022, by giving the other party at least six (6) months prior written notification; and

(c) The Parties agree that the Port will pay any and all outstanding Financial Obligations owed by the Port under this Section 3.2 with interest, at the then-current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.
3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.**

(a) Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement. The Port’s Allocated Share of total annual Fixed Costs will be allocated to the Port based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the Port is 4.7 percent and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. If the Port’s share of NYPA’s 500 MW Plant is reduced or offset as set forth in Sections 5.5 or 5.6 herein, the Port’s share of the ninety-seven million U.S. Dollars ($97,000,000) of Fixed Costs and Variable Costs associated with the 500 MW Plant will be decreased proportionately based on the amount of the Port’s offset, on the date the Port’s offset becomes effective. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the Port will continue to be responsible for its Allocated Share (4.7 percent) of the LSE Cost irrespective of any potential decreased allocation associated with the 500 MW Plant. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation under the initial allocation and under revised allocation scenarios described in Section 4.1(b). Fixed Costs include all services currently provided by NYPA to the Port, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the Port of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The Port’s Allocated Share of any costs identified in Schedule D is 4.7 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the Port without its express written consent.
(b) In the event that one or more of the NYC Governmental Customers relinquishes a portion of, or its entire Allocated Share (a “Relinquished Allocated Share”), the Relinquished Allocated Share will be offered to NYC Governmental Customers as follows:

i. If only one NYC Governmental Customer elects to take a Relinquished Allocated Share, NYPA will redistribute such Relinquished Allocated Share to that customer, as illustrated in Scenario 3 of Schedule B.

ii. If more than one NYC Governmental Customer elects to take a Relinquished Allocated Share, such Relinquished Allocated Share will be distributed amongst those NYC Governmental Customers according to their respective Allocated Shares in effect at the time immediately prior to when the Relinquished Allocated Share becomes available, as illustrated in Scenario 4 of Schedule B.

iii. If none of the NYC Governmental Customers elects to take a Relinquished Allocated Share, NYPA will be responsible for the costs and will receive the revenues associated with that unclaimed Relinquished Allocated Share, as illustrated in Scenario 2 of Schedule B.

iv. During the calendar year 2020 process of revising the Allocated Shares for use in the calendar years 2021 and 2022, in revising the D9 Allocators pursuant to Section 4.1(a), any unclaimed Relinquished Allocated Share(s) as described under Section 4.1(b)(iii) will be used by NYPA as a substitute for determining the calculation of the NYC Governmental Customers’ total Allocated Shares, as illustrated in Scenarios 5 and 6 of Schedule B.

4.2. Billing of Fixed Costs. On an annual basis, the Port’s Allocated Share of the Fixed Costs shall be apportioned between Port sub-agencies based on the prior year’s annual energy (kWh) E1 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the Port’s bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills. NYPA may charge the Port separately for any incremental costs associated with a change in the methodology requested by the Port. The Port shall provide NYPA twelve (12) months prior written notice for such changes.

4.3. Additional Reports Not Covered Under Fixed Costs. Upon written request by the Port, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the Port separately for such incremental costs.
4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the Port’s energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule E, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the Port. An illustrative example of Variable Costs is annexed hereto as Schedule F. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to the Port without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, the Parties shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the Port’s allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the Port’s final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The Port shall pay NYPA the Port’s share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The Port’s share of the Transitional Costs is 4.7 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, of which the Port’s share is 5.3 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. Costs for Third-Party Services to support positions taken by NYPA on behalf of the Port are subject to the Port’s prior approval. NYPA and the Port will work together to determine whether any Third-Party Services provide incremental benefit to the Port given its own rate case representation. If the Port approves such Third-Party Services, these costs will be excluded from the Fixed Costs and recovered consistent with Schedule D. If the Port does not approve such Third-Party Services, NYPA and the Port will collaborate to coordinate their respective positions. The Port’s Allocated Share of any costs identified in Schedule D is 4.7 percent through December 31, 2020, and subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the Port as they are received by NYPA, without interest.

**ARTICLE V**

**ADDITIONAL COVENANTS**
5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, the Port shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the Port with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. The Port will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The Port’s share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is 24 Winter MW and 21 Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria Energy II (“AEII”) plant will continue to support the supply of energy and capacity to the Port. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the Port’s portfolio of dedicated resources and the costs associated with these facilities will not be charged to the Port.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of the Port. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases of such renewable resources elected by the Port. The ten (10) percent cap set forth in Section 5.6 below shall not apply to purchases under this Section. Any purchases of renewable market products (e.g., energy, capacity or ancillary services) by the Port, or by NYPA on behalf of the Port, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the Port will pay any and all Financial Obligations owed by the Port arising from such renewable market purchases. Purchases by NYPA for the Port pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:
(a) The Port will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to the Port’s proposed date for deliveries of such products to commence, and the Port and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. The Port shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to the Port in order to meet New York City and New York State renewable energy goals.

(c) Offsets from the 500 MW Plant as a result of the purchase of renewable resources hereunder shall reduce the Port’s Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs, and will contemporaneously reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4 above.

(d) Once a reduction has been effectuated, upon request by the Port, NYPA will offer back such offsets or reductions of the 500 MW Plant to the Port, consistent with the terms in Sections 4.1 and 4.4, unless NYPA is negotiating a contract for, or has contracted for, the sale of the offset capacity and/or energy from the 500 MW Plant to another party, and as illustrated by the calculation example in Schedule B.

5.6. **Right to Purchase Capacity/Electricity.** Subject to the Port paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, the Port shall have the right to (a) directly purchase, in aggregate, up to 10 percent of its electricity requirements during the Term (in one or more increments) from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, the Port may authorize NYPA to purchase up to 10 percent of the Port’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. If the Port makes such election to purchase under this Section 5.6, its Allocated Share of Fixed Costs associated with the 500 MW Plant and Variable Costs shall be reduced contemporaneously to reflect the percent by which its purchases are reduced, consistent with Sections 4.1 and 4.4, above. Notwithstanding anything herein to the contrary, the 10 percent limitation shall not apply to clean on-site or renewable generation projects, which the Port may pursue without limitation.

5.7. **Pro-Rata Share of Transmission Congestions Contracts.** Expiring Grandfathered Transmission Congestion Contracts (“TCCs”) 189.2 and 190.2 under NYISO Open Access Transmission Tariff Schedule “L” (the “Lower Path”) were converted to Historic Fixed Price Transmission Congestion Contracts (“HFPTCCs”) in 2017. Consistent with NYISO notices and rules, the Port received its pro-rated share of such Lower Path HFPTCCs, 257 MW. NYPA is recovering the costs associated with the Port’s share of the 2017 HFPTCCs during 2017. Unless
terminated at the Port’s request based on annual election, Lower Path HFPTCCs will remain in place during the Term of this Agreement, and costs for such HFPTCCs in subsequent years will be recovered in equal monthly amounts during each calendar year of the Term. Should Grandfathered TCC numbers 189.1 and 190.1 under NYISO Open Access Transmission Tariff Schedule “L” (the “Upper Path”) expire during the Term hereof, NYPA will endeavor to convert such Upper Path TCCs to HFPTCCs. If successful, NYPA will offer the Port its pro-rated share of such TCCs in the same manner as described for the Lower Path HFPTCCs above, with interest, at the then current One-Year U. S. Treasury Bill Interest Rate. Each year NYPA will provide a projected cost/benefit analysis of the HFPTCC option at least two (2) months prior to when the Port has to (a) elect to purchase Upper Path HFPTCCs, or (b) terminate all or a portion of existing Lower or Upper Path HFPTCCs. If available, the Port will have the option to purchase any HFPTCCs not purchased by other NYC Governmental Customers.

5.8. **Energy Charge Adjustment.** Variable Costs under Section 4.4 of this Agreement will be billed to the Port via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.9. **Hedge Options.** At the Port’s sole option, hedges may be developed through a consultative process with the Port. Hedging Options include features such as caps, collars or other risk management techniques (to the extent consistent with the risk management policies adopted by NYPA’s Board of Trustees) specified by the Port. The Port may specify for modeling purposes the levels, confidence levels, volatility bands, and other parameters for each hedging option. The risk management strategies shall be designed to reduce potential volatility in variable fuel, purchased power, ancillary services, and other NYISO-related costs and off-setting revenues. Hedging Costs will be passed-through the ECA to the Port as a Variable Cost. All hedging risks shall be borne by the Port.

5.10. **Most Favorable Terms.** Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, the Port may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Customers listed within Schedule G (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If the Port exercises this option for such other terms and conditions, the Port shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. **2005 Agreement**

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. **Approvals.** The execution of this Agreement will be contingent on the approval of the Port Authority Board of Commissioners and the Executive Director of the Port Authority, whose approval is required for the execution of this Agreement, and by NYPA’s Board of Trustees.

6.3. **Notices.** All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York  
123 Main Street  
Mail Stop 10  
White Plains, NY 10601  
Attn: Keith Hayes, Vice President, Economic Development

With copies to (at the same address):
Javier Bucobo, Principal Attorney

If to the Port Authority, to:
6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.
6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Gil C. Quiniones
Title: President & Chief Executive Officer

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: __________________________
Name: Richard Cotton
Title: Executive Director
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the Port or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in “Schedule G”, at that same hour.

“E1 Allocator” means the customer’s total annual energy usage (kWh) as a proportion of the total of NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at the Port’s direction, for which payment the Port is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to the Port, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA to the Port of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Hedging Costs” means all the costs associated with the settlement of a hedging instrument that the Port elects under Section 5.9 and includes the monthly settlements as well as any premiums associated with the purchase of an options contract. NYPA reserves the right to pass-through any credit costs associated with the establishment and support of collateral and margin plus any broker fees and commissions.

“Hedging Strategies” is defined in section 5.9.

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the Port’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.
“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Port” has the meaning set forth in the Preamble of this Agreement.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.


“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel, purchased power, hedging costs incurred by NYPA to serve the Port, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the Port pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the Port’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
APPLICATION FOR ELECTRIC SERVICE

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this application is accepted by Authority, firm power and energy will be supplied to Customer to the extent that Authority determines that it has capacity available to provide such power and energy. Firm power and energy expected to be available for sale soon pursuant to the applicable tariff will become available in part when the Authority's Indian Point No. 3 generating plant reaches commercial operation and additional firm power and energy will become available when the Authority's Astoria No. 6 plant is also in commercial operation. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Priority in the acceptance of application for the service requested in this application shall be given to the Metropolitan Transportation Authority, its subsidiary corporations, the New York City Transit Authority,
the Port Authority of New York and New Jersey, the City of New York, the State of New York, the United States, other public corporations within the metropolitan area of the City of New York within the State of New York and then to other exempt persons as defined in 26 U.S.C. 103 (c) (3), located in New York City and Westchester County to the extent feasible in accordance with Section 1005 of the Power Authority Act.

Priority with respect to the firm power and energy not sold to the entities listed above shall be afforded to electric companies serving New York City and Westchester County also in accordance with Section 1005 of the Power Authority Act.

(3) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customers' facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this application and the furnishing of electric service hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Service Tariff, both as they may be later amended from time to time.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority
Act this application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer:

By: Roger A. Gilman

Title: Assistant Executive Director

Date: September 23, 1976

(A attest) Assistant Secretary

Accepted:

Power Authority of the State of New York

By: Chairman

Date: September 23, 1976

(A attest)

By: Mrs. Scharf

Add. Secretary


HELEN J. MCDONALD
Notary Public, State of New York
No. 24-76-4, 000
Qualified in Kings County
Term Expires March 30, 1978
ACKNOWLEDGEMENTS

State of New York) ss.:
County of [illegible]

On this 23rd day of September, 1976, before me personally came James A. FitzPatrick and John J. Briel, to me known, who each being by me duly sworn, did severally depose and say that they reside in Plattsburgh and New York City respectively, and that they are, respectively, Chairman and Secretary of Power Authority of The State of New York, a Corporation described in and which executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

[Signature]

Notary Public in the State of New York
Residing in the County of [illegible]
My Commission expires 1977

(Notarial Seal)

State of New York) ss.:
County of [illegible]

On this 23rd day of September, 1976, before me personally came John J. Briel, to me known, who being duly sworn, did depose and say that he resides in the [illegible] of the Port Authority of New York and New Jersey, a body corporate and politic described in and which executed the foregoing instrument; that he knows the seal of said corporation; that one of the seals affixed to said instrument is such corporate seal; that it was so affixed in accordance with the authority of the Board of Commissioners of said Corporation, and that he signed his name thereto in accordance with said order.

[Signature]

Notary Public in the State of New York
Residing in the County of [illegible]
My Commission expires 1977

(Notarial Seal)
POWER AUTHORITY OF THE STATE OF NEW YORK  
1633 BROADWAY, NEW YORK, N.Y. 10019  

Service Tariff No. 15  
Schedule of Rates for Firm Power Service

GENERAL PROVISIONS

A. Applicable:
To sale of firm power and energy to Authority Public Customers as described in the third unnumbered paragraph of Section 1005 of the Power Authority Act (and associated accounts) who receive delivery service through the utility company in whose franchise area such customers' facilities are located.

B. Character of Service:
Alternating current; 60 hertz; 3 phase

C. Rates:

I. Conventional Rates
Applicable to all accounts except those billed under Time-of-Day (TOD) Rates.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Description</th>
<th>Energy Charge</th>
<th>Demand Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-1</td>
<td>General Use - Small (SC 62)</td>
<td>6.439 cents per kW-h</td>
<td>6.40 per month per kW-h of billing demand</td>
</tr>
<tr>
<td>15-2</td>
<td>General Use - Large (SC 69)</td>
<td></td>
<td>3.581 cents per kW-h</td>
</tr>
<tr>
<td>15-3</td>
<td>Electric Traction (SC 65)</td>
<td></td>
<td>6.48 per month per kW-h of billing demand</td>
</tr>
</tbody>
</table>

Revision: 2  
Date Effective: March 5, 1990

Issued by ROBERT A. HINEY, Executive Vice President
Energy Charge  3.825 cents per kilowatt hour

15-4 Commercial and Industrial Redistribution (SC 64)

Demand Charge  $8.78 per month per kilowatt of billing demand

Energy Charge  3.315 cents per kilowatt hour

15-5 World Trade Center (SC 88)

Demand Charge  $8.52 per month per kilowatt of billing demand

Energy Charge  3.814 cents per kilowatt hour

II. Time-of-Day (TOD) Rates

Applicable to:

(a) any account whose monthly maximum demand exceed 1,500 KW in any annual period ending September 30;

(b) any new account whose monthly maximum demand in the Authority's estimate will exceed 1,500 KW during the first year of service; and

(c) successors of accounts referred to above if eligible for Authority service.

An 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. TOD Rates are not applicable to traction accounts.

Revision: 3          Date Effective: May 2, 1991

Issued by ROBERT A. HINEY, Executive Vice President
15-2 General Use - Large (SC 69)

Demand Charge  $5.30 per month per kilowatt of on-peak demand
Energy Charge  5.110 cents per kilowatt hour on-peak
2.662 cents per kilowatt hour off-peak

15-4 Commercial and Industrial Redistribution (SC 64)

Demand Charge  $7.21 per month per kilowatt of on-peak demand
Energy Charge  4.779 cents per kilowatt hour on-peak
2.643 cents per kilowatt hour off-peak

15-5 World Trade (SC 88)

Demand Charge  $7.20 per month per kilowatt of on-peak demand
Energy Charge  5.156 cents per kilowatt hour on-peak
2.828 cents per kilowatt hour off-peak

The billing periods selected for TOD Rates are:

Demand Charge:
On-peak: 8 a.m. to 6 p.m. weekdays (including holidays)
Off-peak: All other times

Energy Charge:
On-peak: 8 a.m. to 10 p.m. weekdays (including holidays)
Off-peak: All other times

Revision: 2 Date Effective: May 2, 1991
Issued by ROBERT A. HINEY, Executive Vice President
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.

D. Energy Charge Adjustment (Conventional and TOD):

The charges set forth herein shall be subject to a monthly adjustment per kilowatt hour provided hereunder when changes from the base cost of energy occur as described in Special Provision F.

E. Delivery Service:

A delivery service charge set forth in Appendices C, D, E, H and J of this Service Tariff and payable to Authority by Customer as reimbursement to the utility company providing delivery service for the use of its facilities and for services rendered in conjunction with the delivery of power and energy.

Revision: 2 Date Effective: May 2, 1991

Issued by ROBERT A. HINEY, Executive Vice President
F. Minimum Charge:

Customer shall be responsible for a minimum bill equal to:

(1) Where usage is measured by both demand and energy meters or where usage is unmetered, 75% of the product of the demand charge and the maximum monthly billing demand for the previous twelve months, provided, however, that in the event customer provides notice of termination of service to Authority pursuant to the 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.

(2) Where usage is measured by energy meters alone, the charge for 10 kilowatt-hours usage.

Such minimum bill shall be exclusive of minimum charges applicable to delivery service.
G. **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.

H. **Billing Period:**

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

I. **Payment:**

Bills computed under this Service Tariff are due and payable at the office of the Authority within ten (10) days of the date of bill, subject to late payment in accordance with provision 454.6 (b) of the Rules and Regulations for Power Service. 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.

J. **Power Factor:**

Authority may require Customer normally to maintain power factor not less than 90%, lagging or leading, at the point of delivery.
K. Continuance and Termination of Service:

Initiation of service will be upon accepted application of Customer, under the procedure specified in the Rules and Regulations for Power Service.

Once initiated, service will continue until terminated by Authority pursuant to required notice as provided in the Rules and Regulations for Power Service. Customer may terminate service at any time after one year's service on written notice to Authority at least thirty-six months in advance.

Until actually terminated, the Minimum Charge provision of this tariff shall apply. Customer may effect a partial termination or reduction of service, only if such partial termination or reduction results from (a) account turn-offs, load management, energy conservation, Customer supplied generation or (b) partial transfer of service to another utility, 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.
SPECIAL PROVISIONS

Special provisions for service supplementing or modifying the Rules and Regulations for Power Service are as follows:

A. **Installments:**

Initial service may be in installments as Customer may require the power and energy or as Authority can make it available.
B. **Notice of Adjustments in Charges:**

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 and Regulations for Power Service, it will notify Customer in writing of the revised charges not less than thirty (30) days in advance of the effective date thereof.

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 provide to Customer amended delivery service Appendices. Changes in the Energy Charge Adjustment will be indicated on the monthly bill without prior notice.
C. Apportionment of Charges When Customer is Delivered Power and Energy Provided by Authority and Power and Energy Provided by Utility Company:

If the total firm power and energy delivered to the Customer is provided partly by the Authority and partly by the utility furnishing delivery service the total charges to the Customer will be partly at the Authority's rates and partly at the utility's rates.

D. Customer Requirements for Delivery and Service:

1. Provision of Power Service -

   From time to time, the Authority will accept applications for power service from Authority Public Customers. The Authority will notify the utility furnishing delivery service when the Authority has accepted any such Customer or associated accounts and will notify the utility of the order and time in which it will initiate power service to such Customers. The utility will transfer service of such Customers who are the utility's customers to the Authority, free of any limitations on termination of contract which would apply in the absence hereof, except that the utility shall not be required to deliver Authority power to any such Authority Public Customer which is not current on its payment for service from the utility, which

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Revision: 1 Date Effective: March 5, 1990

Issued by ROBERT A. HINEY, Executive Vice President
does not pay promptly its final bill for service, and which has
not paid its outstanding financial obligations to the utility.
New Authority Customer accounts who were not customers of the
utility shall be required to meet the utility's prerequisites for
initiation of service as set forth in the utility's applicable
tariffs.

Customer shall attempt to notify the Authority not less than
120 days in advance of any transfer of service from the utility
to the Authority or initiation of service for a new account that
it desires to be made, but in any event shall give at least 30
days notice of any such transfer or initiation; provided,
however, that initiation or modification of service by the
utility providing delivery service shall be subject to compliance
with all applicable service connection and other requirements
concerning initiation or modification of service as would apply
to a similarly situated utility customer under the utility's
applicable tariffs.

2. **Provision of Delivery Service**

   The utility furnishing delivery service will accept power
   and energy from the Authority and will deliver such power and
   energy to Authority Public Customers designated by the Authority
   at such delivery points as the utility will specify within its
   franchise area, utilizing the utility's transmission and
distribution facilities as available for the purpose, and

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Revision: 1  Date Effective: March 5, 1990

Issued by ROBERT A. HINEY, Executive Vice President
installing new or enlarged facilities within its Franchise Area when required.

   Customer will coordinate directly with the utility furnishing delivery service 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. Any new, enlarged or altered service or facilities which the 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 Public Customers without payment of compensation beyond the standard rate for delivery service provided for that class of Authority Public Customers. When the delivery service requires facilities for which the utility normally would make a special charge to its own customers or would require the customer to make the installation, the utility shall specify, after discussion with the Authority, the additional compensation the Customer shall pay which shall not exceed the compensation which would be payable by a customer of the utility in comparable circumstances; or the Customer shall install the needed facilities which shall conform to the utility's specifications and the utility shall permit their connection to its system in accordance with its specifications.
3) **Temporary Service**

Temporary service, if provided to customers or premises that may become Authority Public Customers, will be the responsibility of the utility providing delivery service. Upon installation of the permanent service connection to such Customer or premises, service to the Customer will be the responsibility of the Authority.

4) **Preparation of Annual Resource Plan**

Pursuant to the terms of the Planning and Supply Agreement dated March 10, 1989 between the Authority and the utility furnishing delivery service, the Authority is required to prepare an annual Resource Plan by April 1 for the succeeding twenty year period. Customer agrees to cooperate with the Authority in the preparation of such plans by providing information on power and energy requirements as the Authority will specify including, but not limited to, the following:

(i) projections of annual peak demand and energy requirements;

(ii) the forecasted effects of Customer's demand-side management and load control programs;

(iii) new construction activities and the anticipated peak demand and energy requirements associated therewith; and

(iv) identification of new accounts whose loads are expected to exceed three megawatts by name, account location, load and expected service date.

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Revision: 0  
Date Effective: March 5, 1990

Issued by ROBERT A. HINEY, Executive Vice President
E. Transfer of Service:

In the event that Customer desires to discontinue Authority electric service in accordance with the provision of this Service Tariff entitled "Continuance and Termination of Service", or Authority should find it necessary to discontinue electric service to Customer, transfer of such service from Authority to the utility in whose franchise area Customer is located shall be effected, provided such Customer meets the utility's prerequisites for service, as set forth in the utility's filed Schedule for Electricity Service.
F. **Energy Charge Adjustment:**

The charge for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" for the previous two months as stated herein increases or decreases from the specified base cost.

The base cost of energy expressed in cents per kilowatt hour billed is 1.8643 cents. Such base cost may be amended from time to time.

The "average cost of energy" shall be equal to the sum of (i) the fuel and fuel related charges associated with the operation of the Power Authority's thermal generating units normally furnishing energy under this tariff and the value of energy as determined by Authority from other Authority Projects in generation of energy for its Customers supplied under this tariff and (ii) the amount paid by the Authority for power and energy purchased from other suppliers, including transmission charges and additional capacity charges, if any, associated with such deliveries, less credits from sales of non-firm energy; all divided by the total 60 cycle scheduled firm sales to such Customers for such previous two months'.
The "average cost of energy" as determined hereinabove will be adjusted from time to time as determined by the 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. Effective January 1, 1994, such energy-related costs shall include revenue requirements as determined by the Authority associated with expenses incurred in connection with energy conservation programs which benefit Customers supplied under this tariff, where such expenses are not recovered directly from Customers participating in such programs.

The difference between the "average cost of energy", including adjustments, and the base cost of energy shall be added to or subtracted from the charges per kilowatthour for energy specified in this Service Tariff, provided, however, that effective with the September 1993 billing period amounts normally charged or credited each month to Customers on account of such difference will be deferred and any resulting net accumulated deferred charges will be offset against Customer's estimated bill payments as provided in Special Provision "L". If the net accumulated deferred charges have been fully offset against Customer's estimated bill payments, thereafter the difference between the "average cost of energy", including adjustments, and the base cost of energy shall be added to or subtracted from the charges per kilowatthour for energy specified in this Service Tariff, beginning with the next full billing period.

Revision: 2  Date Effective: October 27, 1993

Issued by ROBERT A. HINEY, Executive Vice President
G. **Additional Regulations:**

The supply of service hereunder to Customer is subject to the provisions of the Service Agreement For The Delivery of Power and Energy and the Planning And Supply Agreement dated March 10, 1989 between the Authority and the utility providing delivery service and the Schedule for Electricity Service and/or supplements to the Rate Schedule of the utility providing delivery service as filed with the Public Service Commission and the Federal Energy Regulatory Commission, respectively, and as each may be amended and supplemented from time to time, provided that in the event of any inconsistency, conflict or difference between the provisions of this Service Tariff, the annexed delivery service Appendices or the Authority's Rules and Regulations for Power Service, all as may be amended from time to time, and those contained in such Schedule for Electricity Service, and/or Supplement, the Service Agreement For The Delivery of Power And Energy, and the Planning And Supply Agreement, the provisions of this Service Tariff, Appendices and the Authority's Rules and Regulations shall govern.

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Revision: 1  
Date Effective: March 5, 1990  
Issued by ROBERT A. HINEY, Executive Vice President
H. Redistribution of Electric Service:

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

I. Supplementary Provision:

Section 454.6 (d) of Authority's Rules and Regulations for Power Service shall not be applicable to service hereunder.

J. Adjustment Factor:

The determination of the Demand Charge, Energy Charge and Energy Charge Adjustment shall account for transmission and distribution losses, which losses represent the difference between the power and energy supplied by Authority and the power and energy received by Customers.
K. Notices:

Customer shall notify Authority and the utility in writing in advance when service is to be discontinued at existing premises. Customer shall provide the name and address, if known, of the successor in occupancy of such premises or portion thereof. If Customer desires service from Authority at another location Customer shall file a request for such service pursuant to Authority's requirements.
L. Payment of Estimated Bill:

Approximately twenty (20) days after initial service, Authority will render to Customer an estimated bill for service during the first monthly billing period. This bill will be due and payable within ten (10) days in accordance with the payment provision of this Service Tariff. Thereafter, Authority will render to Customer a final bill approximately twenty (20) days after the conclusion of each billing period. Authority will also render to Customer, at the same time, a new estimated bill for the current billing period. Any overpayment or underpayment by Customer for a previous estimated bill, as determined by the final bill for such billing period, will be treated as a credit or charge towards the new estimated bill. The new estimated bill, reflecting any such credit or charge, will be due and payable within ten (10) days of submission in accordance with the payment provision of this Service Tariff.
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
SCHEDULE B

FIXED COSTS ALLOCATION

EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY
## SCHEDULE B
### FIXED COSTS ALLOCATION

#### Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges. All Groups are taking their full Allocated Shares of the 500MW Plant.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>D9 kW</td>
<td>Allocation %</td>
<td>Allocation (kW)</td>
<td>Allocated Share</td>
<td>Allocated Share</td>
<td>Allocated Share</td>
</tr>
<tr>
<td>1</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>5.9%</td>
<td>29,476</td>
<td>6,189,960</td>
<td>515,830</td>
</tr>
<tr>
<td>2</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>25.0%</td>
<td>124,971</td>
<td>26,243,910</td>
<td>2,186,993</td>
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<tr>
<td>3</td>
<td>Group 3</td>
<td>818,832</td>
<td>46.7%</td>
<td>46.7%</td>
<td>233,531</td>
<td>49,041,510</td>
<td>4,086,793</td>
</tr>
<tr>
<td>4</td>
<td>Group 4</td>
<td>81,886</td>
<td>4.7%</td>
<td>4.7%</td>
<td>23,354</td>
<td>4,904,340</td>
<td>408,695</td>
</tr>
<tr>
<td>5</td>
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<td>238,064</td>
<td>13.6%</td>
<td>13.6%</td>
<td>67,896</td>
<td>14,258,160</td>
<td>1,188,180</td>
</tr>
<tr>
<td>6</td>
<td>Group 6</td>
<td>53,306</td>
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<td>3.0%</td>
<td>15,203</td>
<td>3,192,630</td>
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<tr>
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<td>Group 7</td>
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<td>1.1%</td>
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<td>1,169,490</td>
<td>97,458</td>
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<tr>
<td>8</td>
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<td>100.0%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
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#### Scenario 2: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is not reallocated to other Groups.

<table>
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<tr>
<th>Line</th>
<th>Description</th>
<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
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<tr>
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<td>D9 kW</td>
<td>Allocation %</td>
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<td>Allocated Share</td>
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<td>5.9%</td>
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<td>515,830</td>
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<td>10</td>
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<td>25.0%</td>
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<td>2,186,993</td>
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<td>11</td>
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<td>46.7%</td>
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<td>4,086,793</td>
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<td>4.7%</td>
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<td>408,695</td>
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<tr>
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<td>Group 5</td>
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<td>13.6%</td>
<td>13.6%</td>
<td>67,896</td>
<td>14,258,160</td>
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<td>Group 7</td>
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<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
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</table>

#### Scenario 3: Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is reallocated to Group 2.

<table>
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<tr>
<th>Line</th>
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<th>2015-2016 Av.</th>
<th>2015-2016 Av.</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
<th>500 MW Fixed Costs</th>
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<td>46.7%</td>
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<td>49,041,510</td>
<td>4,086,793</td>
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<td>1,188,180</td>
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<td>Group 6</td>
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<td>1.1%</td>
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<td>97,458</td>
</tr>
<tr>
<td>25</td>
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<td>$8,750,000</td>
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</table>
### SCHEDULE B continued

**Scenario 4:** Group 3 decreases their share of the 500MW Plant by 10%. The decreased share is reallocated to all other Groups.

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</thead>
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<td>4055,679</td>
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<td>4055,679</td>
<td>373,646</td>
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<td>4,530,501</td>
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<td>8,750,000</td>
<td>97,000,000</td>
<td>8,000,000</td>
<td>-</td>
</tr>
</tbody>
</table>

**Scenario 5:** Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped to not exceed the new 500MW Plant allocation (kW).
### Scenario 6: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 2. The Allocated Shares reset during the 2020 process. The originally relinquished amount is capped at the originally relinquished amount level.

<table>
<thead>
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<tr>
<td>46</td>
<td>Group 2</td>
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<td>121,870</td>
<td>24.4%</td>
<td>121,870</td>
<td>25,642,306</td>
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<td>$1,999,536</td>
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<tr>
<td>47</td>
<td>Group 3</td>
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<td>45.5%</td>
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<td>42.0%</td>
<td>210,178</td>
<td>44,511,009</td>
<td>3,709,251</td>
<td>40,774,513</td>
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<tr>
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<td>4.3%</td>
<td>21,666</td>
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<tr>
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<td>16,249</td>
<td>3.2%</td>
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<td>282,968</td>
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<td>$243,248</td>
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</tr>
<tr>
<td>51</td>
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<td>0.8%</td>
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<td>877,196</td>
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<td>$89,104</td>
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<td>-</td>
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<td>$97,000,000</td>
<td>$8,000,000</td>
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</tbody>
</table>

### Sources & Notes

1. Reduction in Group 3 load has been assigned to NYPA, if unclaimed, for purposes of calculating revised allocation factors.
2. Same allocation principles shall apply to the allocation of the 500MW Plant Variable Costs.
3. Example values are for illustrative purposes only and do not represent actual allocated amounts.

### Scenario 7: Group 3 decreases their share of the 500MW Plant by 10% prior to 2021 as per Scenario 4. The Allocated Shares reset during the 2020 process. The originally relinquished as well as the re-allocated amounts to other Groups are capped at the originally relinquished/reallocated amounts levels.

<table>
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<tr>
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<td>54</td>
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<td>6.5%</td>
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<tr>
<td>55</td>
<td>Group 2</td>
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<td>121,870</td>
<td>26.6%</td>
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<td>42.0%</td>
<td>210,178</td>
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<tr>
<td>61</td>
<td>NYPA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,353</td>
<td>6.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Grand Total</td>
<td>1,760,000</td>
<td>100%</td>
<td>500,000</td>
<td>100%</td>
<td>500,000</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the Port’s share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td></td>
<td></td>
<td>$22,600</td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

Subject to the Port’s approval, the following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the Port’s share of the expense may be passed through to the Port on the Monthly Bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
## SCHEDULE E

**LOAD BUS NAMES & INCLUDED CUSTOMERS**

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENY-PORT_CE_NY-CITY</td>
<td>Port Authority of NY and NJ</td>
</tr>
</tbody>
</table>
### SCHEDULE F

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$30,969,731</td>
<td></td>
</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$29,602,651</td>
<td></td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(4) Zone A CFD's</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(5) Zone D CFD</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6) Zone G CFD</td>
<td>$1,560,518</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7) Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(8) Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9) Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(10) Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(11) NTAC</td>
<td>$334,613</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(12) Transco Facilities Charge</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(13) MSGFC Expense</td>
<td>$361,122</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(14) Purchase Power - Other</td>
<td>$0</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(15) Supplementary Bid Production Cost Guarantee</td>
<td>$446,592</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(16) Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(17) NYC, including 500 MW offset</td>
<td>$668,484</td>
<td>Pass-through/D9*</td>
</tr>
<tr>
<td>(18) ROS</td>
<td>$108,582</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(19) LHV</td>
<td>$8,677</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(20) Demand Curve</td>
<td>$916,533</td>
<td></td>
</tr>
<tr>
<td>(21) NYC (In-City &amp; In-City ROS)</td>
<td>$137,781</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(22) ROS</td>
<td>$12,097</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(23) LHV</td>
<td>$446,715</td>
<td>Cap Tag</td>
</tr>
</tbody>
</table>

---

*Avg. 2015-2016 D9 % Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021+*

**Avg. 2014-2015 E1 % Allocation for the term of the Agreement**
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
SCHEDULE H

500 MW Plant Annual Debt Service Payments

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

Notes

1 Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Electric Service Tariff for Port Authority of

New York and New Jersey

Service Tariff No. 140

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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</thead>
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</tr>
<tr>
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<td>II. Frequently used Abbreviations and Terms</td>
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B. Bill Computation
C. Defined Billing Terms of Production and Delivery

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- General Small

Service Classification No. 69
- General Large

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- Standby Service

RIDER B
- Net Metering

RIDER C
- (Reserved for future use)

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<td></td>
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<td></td>
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</tr>
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<td></td>
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</tr>
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<td></td>
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<tr>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

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<th>Leaf No.</th>
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</tr>
</thead>
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<tr>
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<td></td>
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<td></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Leaf No.</th>
<th>A. Rates and Charges</th>
</tr>
</thead>
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<tr>
<td></td>
<td>1. Gross Receipt Tax Surcharge ............................................. 29</td>
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<tr>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
<td>35</td>
</tr>
<tr>
<td>C. Adjustment of Charges</td>
<td>35</td>
</tr>
<tr>
<td>D. Proration of Monthly Rates and Charges</td>
<td>35</td>
</tr>
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<td>E. Minimum Bill</td>
<td>36</td>
</tr>
<tr>
<td>F. Seasonal Proration</td>
<td>36</td>
</tr>
<tr>
<td>G. Billing Period Proration</td>
<td>36</td>
</tr>
<tr>
<td>H. Delivery Service Rate True-up Mechanism</td>
<td>36</td>
</tr>
<tr>
<td>I. Delivery Rate Development</td>
<td>37</td>
</tr>
<tr>
<td>J. Rights</td>
<td>37</td>
</tr>
</tbody>
</table>
Electric Service Tariff for Port Authority of New York and New Jersey
Service Tariff No. 140

I. Applicability

To sale of firm power and energy by Authority to the Port Authority of New York and New Jersey ("Customer") and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The Port Authority of New York and New Jersey 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.

(Frequently used Abbreviations and Terms – Continued on Leaf No. 6)
Frequently used Abbreviations and Terms (Continued)

**High Tension**: 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

**Low Tension**: 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

**Load Serving Entity**: This term has the meaning provided for in the Agreement.

**NYISO Tariffs**: The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity**: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production**: Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules**: 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 PORT AUTHORITYRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff**: This Service Tariff

**Third-Party Supplier**: A supplier of power and energy other than Authority.

**Utility**: Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
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.
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.

**CONVENTIONAL**

<table>
<thead>
<tr>
<th>Energy (¢/kWh)</th>
<th>Summer</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCTION</td>
<td>5.342</td>
<td>4.997</td>
</tr>
<tr>
<td>DELIVERY</td>
<td>19.730</td>
<td>19.730</td>
</tr>
</tbody>
</table>

**Time Period Conventional:**
- All hours, all days

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
**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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td></td>
<td>Low Tension</td>
</tr>
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<tr>
<td><strong>Energy (¢/kWh)</strong></td>
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<td></td>
<td>Induction-generation exception</td>
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### TOD

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<tr>
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<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td></td>
<td>Low Tension</td>
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<tr>
<td><strong>Summer</strong></td>
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<td></td>
<td>Winter</td>
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<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

(SC 69 – Continued on Leaf No. 11)
Service Classification No. 69 (continued)

**Time Period Conventional:**
- All hours, all days

**Time Period TOD:**
- **Demand:**
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

**Delivery Service:**
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

(SC 69 – Continued on Leaf No. 12)
Service Classification No. 69 (continued)

Net Metering:

- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

**Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

**Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
**As-Used Daily Standby Demand:** The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

**Excess Energy:** Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

**D. Rules of Service**

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

**E. Determination of Production Standby Demand Charges**

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
<table>
<thead>
<tr>
<th>Service Classification 69 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
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<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.242</td>
<td>0.225</td>
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<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.257</td>
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</table>

<table>
<thead>
<tr>
<th>Service Classification 69 Time of Day</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>0.278</td>
<td>0.263</td>
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<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>0.295</td>
<td>0.280</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy**: The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering**: The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges**: Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering**: A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account**: NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

C. **Requirements for Service**:

1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

D. **Metering**:

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

E. **Remote Net Metering**:

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.

   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.

   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges
   
   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day ("TOD") rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits
   
   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

The following procedures shall apply:

(a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

(a) the first cycle date on which a reading is taken following the requested turn off date, or

(b) the date of a special reading, which a Customer may request for a charge.

After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of
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 Agreement, the following provisions concerning
       continuance and termination of Service shall apply:
       a) Initiation of service will be upon approved application of Customer, under the
          procedures specified in the Rules.
       b) Once initiated, service will continue until cancelled or terminated by Authority
          pursuant to required notice as provided in the Rules.
       c) 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) Customer may effect a partial termination or reduction of service if such partial
       termination or reduction results from Account turn offs; load management; or energy
       conservation.
   (c) 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 applicable statutes, laws, rules or regulations.

**F. Billing Demand**

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

**I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment (“ECA”). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \ rate \ (\$/kWh) = \frac{ECA \ balance}{\text{forecasted \ energy \ (kWh)}}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge
   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge
   The Delivery Revenue charge will collect Allowed Purse Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   Statement
   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment
   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   Mechanism
   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. **18-a Assessment Surcharge**

On April 7, 2009, a change to Section 18-a of the Public Service Law ("PSL") was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. Smart Grid Surcharge

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.
b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and
c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. Reactive Power Demand Charge

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. Other Charges and Adjustments

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. Charge for Demand Management Programs

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. **Charge for PJM OATT Rates and Charges**

The charge for PJM OATT rates and charges (“PJM OATT Charge”) will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas (“PSEG”) wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. **Charges Associated with the Brooklyn/Queens Demand Management Program**

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program (“BQDMP”), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. **Charges to Recover Standby Performance Credits**

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. **Charge to Recover Targeted Demand Management Program and Demonstration Projects**

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. **Contribution to Earning Adjustment Mechanisms (“EAMs”)**

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. **Charges for Cost Studies**

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT (“Agreement”) dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended (“NYPA”), Battery Park City Authority (“BPCA”). NYPA and Battery Park City Authority are referred to herein collectively, as the “Parties” and individually, as a “Party”.

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and Battery Park City Authority dated February 21, 2002 (“Application for Electric Service”) and attached hereto as Exhibit B, NYPA supplies electricity to the BPCA;

WHEREAS, effective as of June 28, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the “2005 Agreement”); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for BPCA, and BPCA agrees to remain a customer of NYPA subject to the terms set forth herein. BPCA will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. (“Con Edison”) via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the BPCA, NYPA will only charge the BPCA for costs incurred by NYPA to provide power to the BPCA, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, BPCA shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) BPCA agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) BPCA agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the BPCA’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPA will place the Battery Park City Authority, the Convention Center Operating Corporation, the Empire State Development Corporation, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) BPCA may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) BPCA may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that BPCA will pay any and all outstanding Financial Obligations owed by BPCA under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. Effect of Termination. In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

ARTICLE IV
FIXED, VARIABLE AND OTHER COSTS

4.1. Fixed Costs. Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYPA’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which BPCA represents 4.61 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which BPCA represents 4.61 percent of that share. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYPA to the BPCA, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the BPCA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the BPCA without its express written consent.

4.2. Billing of Fixed Costs. On an annual basis, BPCA’s share of the Fixed Costs shall be apportioned between BPCA sub-agencies based on the prior year’s annual energy (kWh) E1 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the BPCA bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills.
4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by BPCA, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the BPCA separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the BPCA, and attributable solely to the BPCA. An illustrative example of Variable Costs is annexed hereto as Schedule F. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to BPCA without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which BPCA’s share is 4.61 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which BPCA’s share is 4.96 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent, of which BPCA’s share is 4.61 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To
the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the BPCA as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, BPCA shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the BPCA with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. The NYC Governmental Customers will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria II (“AEII”) plant will continue to support the supply of energy and capacity to the BPCA. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of the BPCA. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the BPCA. Any purchases of renewable market products (e.g., energy,
capacity or ancillary services) by the BPCA, or by NYPA on behalf of the BPCA, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the BPCA will pay any and all Financial Obligations owed by the BPCA arising from such renewable market purchases. Purchases by NYPA for the BPCA pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) BPCA will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to BPCA’s proposed date for deliveries of such products to commence, and BPCA and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. BPCA shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to BPCA in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the BPCA paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, BPCA shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, BPCA may authorize NYPA to purchase a percentage of BPCA’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. BPCA purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the BPCA via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, BPCA may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If BPCA exercises this option for such other terms and conditions, BPCA shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. 2005 Agreement

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. Approvals. The execution of this Agreement will be contingent on approval by the BPCA Board of Directors and signature of its President, and by NYPA’s Board of Trustees.

6.3. Notices. All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:
Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):
Principal Attorney

If to the BPCA, to:
Battery City Park Authority
200 Liberty Street, 24th Floor
6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. ** headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected
by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against BPCA arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: ____________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

BATTERY PARK CITY AUTHORITY

By: ____________________________
Name: Benjamin Jones
Title: Acting President
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

“E1 Allocator” means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at BPCA’s direction, for which payment BPCA is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to BPCA, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the BPCA pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the BPCA’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
APPLICATION FOR ELECTRIC SERVICE

BATTERY PARK CITY AUTHORITY; (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customer's facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the furnishing of electric services hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Tariff, both as they may be later amended from time to time.
Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act, this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

BATTERY PARK CITY AUTHORITY

By: 

Title: Alexandra Altman

Executive Vice President
and General Counsel

Date: 

(Attest)

By: 

POWER AUTHORITY OF THE STATE OF NEW YORK

By: 

Acting Chairman

Date: 2/21/02

(Attest)

By: David E. Bludz

Executive Vice President, Secretary and General Counsel
ACKNOWLEDGEMENTS

State of New York  ) ss:
County of New York  )

On this 21st day of February, 2002 before me personally came Louis P. Ciminelli, to me known, who being by me duly sworn, did severally depose and say that he resides in Buffalo, New York and that he is Acting Chairman of the Power Authority of the State of New York; that he executed the above instrument.

Sworn to before me this 21st day of February, 2002

[Signature]

SHARON A. SCIOLI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires December 31, 2002

On this 22nd day of January, 2002 before me personally came David E. Blabey, to me known, who being by me duly sworn, did severally depose and say that he resides in Selma, New York and that he is Executive Vice President, Secretary and General Counsel of the Power Authority of the State of New York; and that he executed the above instrument; that he knows the seal of the Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of the Power Authority of the State of New York, and that he signed his name thereto by like order.

Sworn to before me this 22nd day of January, 2002

[Signature]

NEELEE ZANDRI
Notary Public
Notary Public, State of New York
Qualified in Albany County
Commission Expires July 12, 2003
ACKNOWLEDGEMENTS

State of New York      ) ss:
County of New York    

On this ______ day of ______________, 2001 before me personally came Joseph J. Seymour and David E. Blabey, to me known, who each being by me duly sworn, did severally depose and say that they reside in __________, New York and in __________, New York, respectively, and that they are Chairman and Chief Executive Officer and, Executive Vice President, Secretary and General Counsel of Power Authority of the State of New York; that they executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Sworn to before me this ______ day of ______________, 2001

__________________________
Notary Public

State of New York      ) ss:
County of _________      

On this 10th day of December, 2001 before me personally came Alexandra Altman and Michael Katrin to me known, who being duly sworn, did depose and say that reside in New York, NY and New York, NY, respectively, and that they are Executive VP and General Counsel and Senior Development Counsel of High L. Carey Battery Park City Authority; that they executed the foregoing instrument; that they know the seal of said entity; that one of the seals affixed to said instrument is such entity's seal; that it was so affixed by order of the Member of said entity and that they signed their names thereto by like order.

Sworn to before me this 10th day of December, 2001

__________________________
Notary Public

EE: TH R. SIMMONS
Notary Public, State of New York
No. 01S09017775
Qualified in Bronx County 2005
Commission Expires September 13, 1995
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
# SCHEDULE B

## FIXED COSTS ALLOCATION

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

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</tr>
</tbody>
</table>

**Grand Total**: 1,753,155 × 100.0% = $105,000,000

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
<td></td>
<td></td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which BPCA’s share is 4.61 percent, may be passed through to BPCA on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
<tr>
<td>Load Bus Name</td>
<td>Customers Included on Load Bus</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESDC</td>
</tr>
</tbody>
</table>
# SCHEDULE F

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Cost</td>
<td>$30,069,731</td>
<td></td>
</tr>
<tr>
<td>Purchase Power - Energy</td>
<td>$29,602,651</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Purchase Power - Energy</td>
</tr>
<tr>
<td>Zone D CF D's</td>
<td>$2,153,204</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Zone D CF D</td>
<td>$14,028,615</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Zone G (Ashokan Bus)</td>
<td>$2,153,204</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Zone G CF D</td>
<td>$1,560,518</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Balancing Energy</td>
<td>$431,215</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Congestion Charges</td>
<td>$4,629,369</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>NTAC</td>
<td>$718,022</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Transco Facilities Charge</td>
<td>$334,613</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>MGSCF Expense</td>
<td>NA</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Purchase Power - Other</td>
<td>$0</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>NYC, including 500 MW offset</td>
<td>$868,484</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>ROS</td>
<td>$12,037</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>LHV</td>
<td>$681,905</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>Demand Curve</td>
<td>$596,533</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>NYC (In-City &amp; In-City ROS)</td>
<td>$137,781</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>ROS</td>
<td>$12,037</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>LHV</td>
<td>$446,715</td>
<td>Transmission Congestion Contracts (TCC)</td>
</tr>
</tbody>
</table>


**Avg. 2014-2015 E1 % Allocation for the term of the Agreement
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
## SCHEDULE H

500 MW Plant Annual Debt Service Payments\(^1\)

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

---

Notes

\(^1\) Source: Final NYPA 2017 Cost of Service Study
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</tr>
</thead>
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<td></td>
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<td>2. Provision of Delivery Service</td>
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</tr>
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<td>F. Billing Demand</td>
<td>27</td>
</tr>
<tr>
<td>G. Billing Period</td>
<td>27</td>
</tr>
<tr>
<td>H. Payment</td>
<td>27</td>
</tr>
<tr>
<td>I. Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party</td>
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<td>28</td>
</tr>
<tr>
<td>K. Bill Proration</td>
<td>28</td>
</tr>
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</table>

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<table>
<thead>
<tr>
<th>Section</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Energy Charge Adjustment</td>
<td>29</td>
</tr>
<tr>
<td>B. Effective Date of Rates and Charges</td>
<td>29</td>
</tr>
<tr>
<td>C. NYISO-Related Charges</td>
<td>29</td>
</tr>
<tr>
<td>D. Distribution Losses</td>
<td>30</td>
</tr>
<tr>
<td>E. Production Rate Structure Updates</td>
<td>30</td>
</tr>
<tr>
<td>F. Production Rate Development</td>
<td>30</td>
</tr>
</tbody>
</table>

#### VII. Special Provisions Applicable to Delivery Service

<table>
<thead>
<tr>
<th>Section</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Rates and Charges</td>
<td></td>
</tr>
<tr>
<td>1. Gross Receipt Tax Surcharge</td>
<td>31</td>
</tr>
<tr>
<td>2. Delivery Revenue Surcharge</td>
<td>31</td>
</tr>
<tr>
<td>3. Revenue Decoupling Mechanism Adjustment</td>
<td>31</td>
</tr>
<tr>
<td>4. 18-a Assessment Surcharge</td>
<td>32</td>
</tr>
<tr>
<td>5. Smart Grid Surcharge</td>
<td>33</td>
</tr>
<tr>
<td>6. Reactive Power Demand Charge</td>
<td>33</td>
</tr>
<tr>
<td>7. Other Charges and Adjustments</td>
<td>33</td>
</tr>
</tbody>
</table>

(Table of Contents – Continued on Leaf No. 4)
<table>
<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
<td>37</td>
</tr>
<tr>
<td>C. Adjustment of Charges</td>
<td>37</td>
</tr>
<tr>
<td>D. Proration of Monthly Rates and Charges</td>
<td>37</td>
</tr>
<tr>
<td>E. Minimum Bill</td>
<td>38</td>
</tr>
<tr>
<td>F. Seasonal Proration</td>
<td>38</td>
</tr>
<tr>
<td>G. Billing Period Proration</td>
<td>38</td>
</tr>
<tr>
<td>H. Delivery Service Rate True-up Mechanism</td>
<td>38</td>
</tr>
<tr>
<td>I. Delivery Rate Development</td>
<td>39</td>
</tr>
<tr>
<td>J. Rights</td>
<td>39</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability
To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.

(Frequently used Abbreviations and Terms – Continued on Leaf No. 6)
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCGKCRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
Calculation of the Bill - Continued

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.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th>Energy (¢/kWh)</th>
<th>Summer</th>
<th>Winter</th>
<th>Production</th>
<th>5.553</th>
<th>19.730</th>
</tr>
</thead>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
### 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.

#### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High Tension</td>
</tr>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>$6.35</td>
<td>25.91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.77</td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Summer</td>
<td>4.341</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.003</td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

**Time Period Conventional:**

- All hours, all days

**Season:**

- Summer – June through September
- Winter – October through May
Service Classification No. 65 (continued)

Electric Traction Systems and Platform Lighting

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The Special Provision 2 (P.S.C. No. 12) and General Provisions - Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
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</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
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<td>Low Tension</td>
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<td>Induction-generation exception</td>
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### TOD

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</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>Summer</td>
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<td></td>
<td>Transmission</td>
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<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
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</tbody>
</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

Total Load: The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

Production Contract Standby Demand: The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
**As-Used Daily Standby Demand:** The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

**Excess Energy:** Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

**D. Rules of Service**

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

**E. Determination of Production Standby Demand Charges**

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
## Service Classification 65 Conventional

<table>
<thead>
<tr>
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<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
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<td>$0.180</td>
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<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
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<td>$0.192</td>
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## Service Classification 69 Conventional

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.205</td>
<td>$0.190</td>
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<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.218</td>
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</table>

## Service Classification 69 Time of Day

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<th>High Tension</th>
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</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.201</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
<td>$0.202</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:
To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

   Excess Energy: The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

   Host Account: NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy:** The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering:** The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges:** Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering:** A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account:** NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

### C. Requirements for Service:

1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

### D. Metering:

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

### E. Remote Net Metering:

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.

   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.

   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

   The following procedures shall apply:

   (a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

   (b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

   (c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

   NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

   (a) the first cycle date on which a reading is taken following the requested turn off date, or

   (b) the date of a special reading, which a Customer may request for a charge.

   After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

   NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:

a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.

b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.

c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment (“ECA”). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \text{ rate} \ (\$/kWh) = \frac{ECA \ balance \ (\$)}{\text{forecasted energy} \ (kWh)}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge
   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge
   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   Statement
   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment
   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   Mechanism
   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base Revenue.
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

Statement

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

Statement

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. Smart Grid Surcharge

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. Reactive Power Demand Charge

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. Other Charges and Adjustments

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. Charge for Demand Management Programs

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. Charge for PJM OATT Rates and Charges

The charge for PJM OATT rates and charges ("PJM OATT Charge") will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

   i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas ("PSEG") wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

   ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. Charges Associated with the Brooklyn/Queens Demand Management Program

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program ("BQDMP"), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. **Charges to Recover Standby Performance Credits**

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.


e. **Charge to Recover Targeted Demand Management Program and Demonstration Projects**

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.


f. **Contribution to Earning Adjustment Mechanisms (‘EAMs’)**

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.


g. **Charges for Cost Studies**

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. **Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. **Charges for Recovery of Bill Credit Export-only Customers**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. **Clean Energy Standard (CES) Delivery Surcharges**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. **Value of Distributed Energy Resources (VDER) Costs**

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I.  Delivery Rate Development

   To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J.  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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT ("Agreement") dated as of December 1, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended ("NYPA"), New York Convention Center Operating Corporation ("CCOC"). NYPA and Convention Center Operating Corporation are referred to herein collectively, as the "Parties" and individually, as a "Party".

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and Convention Center Operating Corporation dated February 7, 1986 ("Application for Electric Service") and attached hereto as Exhibit B, NYPA supplies electricity to the CCOC;

WHEREAS, effective as of February 14, 2006, the Parties entered into an agreement to supplement the Application for Electric Service (the "2005 Agreement"); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for CCOC, and CCOC agrees to remain a customer of NYPA subject to the terms set forth herein. CCOC will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. ("Con Edison") via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the CCOC, NYPA will only charge the CCOC for costs incurred by NYPA to provide power to the CCOC, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, CCOC shall be a full requirements electricity customer of NYPa during the Term, as defined in Article III;

(b) CCOC agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPa’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) CCOC agrees to pay for its share of NYPa’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPa will continue to provide all of the CCOC’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPa will place the Battery Park City Authority, the Convention Center Operating Corporation, the Empire State Development Corporation, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

**ARTICLE III**

**TERM AND TERMINATION**

3.1. **Term.** This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. **Termination.** This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) CCOC may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPa at least twelve (12) months prior written notification;

(b) CCOC may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that CCOC will pay any and all outstanding Financial Obligations owed by CCOC under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.** Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYP’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which CCOC represents 45.04 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYP’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYP’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which CCOC represents 45.04 percent of that share. **Schedule B**, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYP to the CCOC, as specifically set forth in **Schedule A**, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYP to the CCOC of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in **Schedule C** and **Schedule D**, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in **Schedule D** is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the CCOC without its express written consent.

4.2. **Billing of Fixed Costs.** On an annual basis, CCOC’s share of the Fixed Costs shall be apportioned equally over a twelve (12) month period using the D9 Allocator. The annual amount will be represented as a fixed monthly charge on the CCOC bill.

4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by CCOC, NYP will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYP can demonstrate that such reports, studies or analyses impose incremental costs, NYP may charge the CCOC separately for such incremental costs.
4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the CCOC, and attributable solely to the CCOC. An illustrative example of Variable Costs is annexed hereto as Schedule F. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to CCOC without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which CCOC’s share is 45.04 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which CCOC’s share is 44.67 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent, of which CCOC’s share is 45.04 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the CCOC as they are received by NYPA, without interest.

**ARTICLE V**
**ADDITIONAL COVENANTS**
5.1. **Rate Design Study and New Tariffs.** By no later than July 1 of each year during the Term of this Agreement, CCOC shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the CCOC with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. **Pro-Rata Share of UCAP.** The NYC Governmental Customers will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. **Debt Service.** The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. **AEII Plant Agreement and Hydroelectric Facilities.**

(a) The Astoria II ("AEII") plant will continue to support the supply of energy and capacity to the CCOC. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. **Purchase of Renewable Market Products.** The Parties will pursue short-term and long-term renewable options for the benefit of the CCOC. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the CCOC. Any purchases of renewable market products (e.g., energy, capacity or ancillary services) by the CCOC, or by NYPA on behalf of the CCOC, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the CCOC will pay any and all Financial Obligations owed by the CCOC arising from such renewable market purchases. Purchases by NYPA for the CCOC pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:
(a) CCOC will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to CCOC’s proposed date for deliveries of such products to commence, and CCOC and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. CCOC shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to CCOC in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the CCOC paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, CCOC shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, CCOC may authorize NYPA to purchase a percentage of CCOC’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. CCOC purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the CCOC via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, CCOC may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If CCOC exercises this option for such other terms and conditions, CCOC shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. 2005 Agreement

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully
supersedes and replaces the 2005 Agreement, including the following
provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other
provision of this Agreement, the “Agreement Implementing Article XI of 2005
Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed
on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force
and effect with respect to NYPAl’s arrangements with AEII and the obligations
of the “Customers”, as defined in the 2008 Agreement.

6.2. Approvals. The execution of this Agreement will be contingent on approval by
CCOC’s Board of Directors and by NYPA’s Board of Trustees.

6.3. Notices. All notices and other communications required or permitted to be given
under this Agreement will be in writing and deemed to have been given: (i) one (1) business day
after being delivered by hand; (ii) five (5) business days after being mailed first class or certified
with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight
courier, specifying next day delivery, with written verification or receipt; (iv) on the date of
transmission when sent by electronic mail or facsimile (with receipt of confirmation of
transmission), if sent during normal business hours of the recipient, or if not, then on the next
business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPAl, to:

Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):
Principal Attorney

If to the CCOC, to:

New York Convention Center Operating Corporation
6.4. Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. Recitals. The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. Amendments and Waiver. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. Entire Agreement. This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. Further Assurances. The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. Assignment: Binding Effect. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement
a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against CCOC arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States or the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

*Signature page follows*
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

NEW YORK CONVENTION CENTER OPERATING CORPORATION

By: __________________________
Name: Kenneth Sanchez
Title: Senior Vice President Facilities Management

Signature Page
Long Term Power Supply Agreement
EXHIBIT A

DEFINITIONS

"500 MW Plant" means New York Power Authority’s 500 Megawatt Combined Cycle Power Plant located in Astoria, Queens, New York.

"2005 Agreement" has the meaning set forth in the Recitals of this Agreement.

"AEII" means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

"Allocated Share", with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

"Application for Electric Service" has the meaning set forth in the Recitals of this Agreement.

"Con Edison" means Consolidated Edison Company of New York, Inc.

"Con Edison’s NYPAR Tariff" means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

"Cost-of-Service" means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

"D9 Allocator" means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

"E1 Allocator" means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

"Energy Charge Adjustment" or "ECA" means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPAR, and subject to reconciliation.

"Effective Date" has the meaning set forth in the Preamble of this Agreement.

"Financial Obligations" means all payments, costs and expenses arising under contracts entered into by NYPAR at CCOC’s direction, for which payment CCOC is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to CCOC, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U.S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the CCOC pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the CCOC’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
POWER AUTHORITY OF THE STATE OF NEW YORK
10 COLUMBUS CIRCLE, NEW YORK, N.Y. 10019

APPLICATION FOR ELECTRIC SERVICE

NEW YORK CONVENTION CENTER OPERATING CORPORATION (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Priority in the acceptance of application for the service requested in this application shall be given to the Metropolitan Transportation Authority, its subsidiary corporations, the New York City Transit Authority, the Port Authority of New York and New Jersey, the City of New York, the State of New York, the United States, other public...
corporations within the metropolitan area of the City of
New York within the State of New York and then to other
exempt persons as defined in 26 U.S.C. 103 (c)(3), located
in New York City and Westchester County to the extent
feasible in accordance with Section 1005 of the Power
Authority Act.

Priority with respect to the firm power and energy not
sold to the entities listed above shall be afforded to
electric companies serving New York City and Westchester
County also in accordance with Section 1005 of the Power
Authority Act.

(3) Delivery of power and energy to Customer will be
made over the facilities of the utility company in whose
franchise territory Customers' facilities are located
pursuant to contractual arrangements entered into by such
company and the Authority.

Customer further understands and agrees that this
Application and the furnishing of electric services
hereunder are subject in all respects to the provisions of
Authority's Rules and Regulations for Power Service and to
the applicable Service Tariff, both as they may be later
amended from time to time.
Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

New York Convention Center Operating Corporation

Customer

By

Thomas F. Galvin

Title

President & Chief Executive Officer

Date September 20, 1985

Accepted:

Power Authority of the State of New York

By

Chairman

Date February 7, 1986

(Attest)

By

Secretary

2432W
STATE OF NEW YORK
COUNTY OF NEW YORK

On this 20th day of September in the year 1985, before me personally came Thomas F. Galvin, to me known, who, being by me duly sworn, did depose and say that he resides in Queens, New York; that he is President and Chief Executive Officer of the New York Convention Center Operating Corporation, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

[Signature]

CHERYL LYNN SILVERMAN
Notary Public, State of New York
No. 4313691
Commission Expires March 30, 1986

STATE OF NEW YORK
COUNTY OF NEW YORK

On this 20th day of September in the year 1985, before me personally came Kevin D. Slakas, to me known, who, being by me duly sworn, did depose and say that he resides in New York, New York; that he is the Secretary of the New York Convention Center Operating Corporation, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

[Signature]
ACKNOWLEDGEMENTS

State of New York  ss:

County of New York  

On this ___ day of ___ , before me personally came Richard M. Flynn and Bradley S. Telias, to me known, who each being by me duly sworn, did severally depose and say that they both reside in New York City, and that they are, respectively, Chairman and Secretary of Power Authority of the State of New York, a corporation described in and which executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

(Notarial Seal)

Vermadine V. Elmore, Notary Public
State of New York, No. 34406491
Residing in Westchester County
Commission expires March 30, 19__
POWER AUTHORITY OF THE STATE OF NEW YORK
10 Columbus Circle, New York, N.Y. 10019

Service Tariff No. 12

Schedule of Rates for Firm Power Service

Applicable:

To sale of firm power and energy to customers who receive
delivery and service through the utility company in whose franchise
area customers' facilities are located.

Character of Service:

Alternating current; 60 hertz; 3 phase

Rates:

Rates for firm power and energy shall initially consist of:

(1) General Use - Small
    Energy Charge 6.793 cents per kilowatt hour

(2) General Use - Large
    Demand Charge $6.22 per month per kilowatt of
    billing demand
    Energy Charge 3.668 cents per kilowatt hour

Energy Charge Adjustment - The charges set forth herein shall be
subject to a monthly adjustment per kilowatt hour provided hereunder
when changes from the base cost of energy occur as described in
Special Provision F.

(3) A delivery-service charge set forth in Appendices C and H of
this Service Tariff and payable to Authority by Customer as
reimbursement to the utility company providing delivery-service for
the use of its facilities and for services rendered in conjunction
with the delivery of power and energy.

EFFECTIVE DATE: DECEMBER 3, 1985
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.

Billing Period:

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

Payment:

Bills computed under this Service Tariff are due and payable at the office of the Authority within ten (10) days of the date of bill, subject to late payment in accordance with provision 454.6 (b) of the Rules and Regulations for Power Service. In the event that there is a dispute on any items 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.

Power Factor:

Authority may require Customer normally to maintain power factor not less than 90%, lagging or leading, at the point of delivery.

Continuance and Termination of Service:

Initiation of service will be upon accepted application of Customer, under the procedure specified in the Rules and Regulations for Power Service.

Once initiated, service will continue until terminated by Authority pursuant to required notice as provided in the Rules and Regulations for Power Service. Customer may reduce or terminate

Revised and Effective: December 2, 1981
service 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.

Special Provisions:

Special provisions for service supplementing or modifying the
Rules and Regulations for Power Service are as follows:

A. Installments - Initial service may be in installments as
Customer may require the power and energy or as Authority can make
it available.

B. Notice of Adjustments in Charges

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
and Regulations for Power Service, it will notify Customer in
writing of the revised charges not less than thirty (30) days in
advance of the effective date thereof.

Authority shall notify Customer in writing within thirty (30)
days following the date it receives notice of adjustments in rates,
terms and conditions related to delivery service and shall provide
to customer amended delivery service Appendices. Changes in energy
charge adjustment will be indicated on the monthly bill without
prior notice.

C. Apportionment of Charges When Customer is
Delivered Power and Energy Provided by Authority
and Power and Energy Provided by Utility Company

If the total firm power and energy delivered to the Customer is
provided partly by the Authority and partly by the utility

Revised and Effective: December 2, 1981
furnishing delivery-service the total charges to the Customer will be partly at the Authority's rates and partly at the utility's rates.

D. Change in Customer Requirement

Additional Power and Energy - Customer agrees to advise Authority on the first day of July of each year of its estimated overall power and energy requirements for the next succeeding five-year period.

If at any time during the term Customer shall determine that it will require firm power and energy in excess of its firm capacity allotment, Customer shall give Authority written notice of the amounts which and the date on which it desires such additional power and energy and shall include in such notification facts supporting such additional requirements. Within ninety (90) days after receipt of such notice, Authority shall notify Customer of the amounts in which and the dates on which it determines, in its sole discretion, that it can make such additional power and energy available to Customer.

New, Enlarged or Altered Service - Customer shall give Authority and the utility providing delivery-service reasonable advance notice of the location of any requirement for a material increase in load such that adequate facilities may be provided. If the Authority determines it can serve the additional power and energy requested or the altered service, the Customer will deal with the appropriate representative of the utility with respect to the arrangements for a new delivery point or an enlarged or altered service at an existing delivery point. Any new, enlarged or altered delivery service
required by Customer will be provided by the utility. When such delivery service requires facilities for which the utility would make a special charge to its own customers or would require the Customer to make the installation, Customer will compensate Authority, who will then reimburse the utility in an amount not to exceed the compensation which would be payable by a customer of the utility in comparable circumstances. Customer shall have the option of installing needed facilities at its own expense provided they meet the utility's specifications.

E. **Transfer of Service** - In the event that Customer desires to discontinue Authority electric service or Authority should find it necessary to discontinue electric service to Customer, transfer of such service from Authority to the utility in whose franchise area customer is located shall be effected, provided such customer meets the utility's prerequisites for service, as set forth in the utility's filed Schedule for Electricity Service.

F. **Energy Charge Adjustment**

The charge for electric service hereunder will be subject each month to an addition or a deduction when the "average cost of energy" for the previous two months as stated herein increases or decreases from the specified base cost.

The base cost of energy expressed in cents per kilowatt hour billed is 2.1394 cents. Such base cost may be amended from time to time.

The "average cost of energy" shall be equal to the sum of (i) the fuel and fuel-related charges associated with the operation of the Power Authority's thermal generating units normally furnishing

Revised and Effective: December 3, 1985
energy under this tariff and the value of energy as determined by the Authority from other Authority Projects in generation of energy for its Customers supplied under this tariff and (ii) the amount paid by the Authority for power and energy purchased from other suppliers, including transmission charges and additional capacity charges, if any, associated with such deliveries, less credits from sales of reserve energy; all divided by the total 60 cycle scheduled firm sales to such Customers for such previous two months'.

The "average cost of energy" as determined hereinabove will be adjusted from time to time as determined by the 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.

The difference between the "average cost of energy", including adjustments, and the base cost of energy shall be added to or subtracted from the charges per kilowatthour for energy specified in this Service Tariff.

G. Additional Regulations - The supply of service hereunder to Customer is subject to the provisions of the Schedule for Electricity Service and/or supplements to the Rate Schedule of the utility providing delivery-service as filed with the Public Service Commission and the Federal Energy Regulatory Commission, respectively, and as may be amended and supplemented from time to time, provided that in the event of any inconsistency, conflict or difference between the provisions of this Service Tariff, the

Revised and Effective: September 22, 1981
annexed delivery service Appendices or the Authority's Rules and Regulations for Power Service, all as may be amended from time to time, and those contained in such Schedule for Electricity Service and/or Supplement, the provisions of this Service Tariff, Appendices and the Authority's Rules and Regulations shall govern.

H. **Redistribution of Electric Service** - Customer may resell, remeter (or submeter), or redistribute electric service to his tenants or occupants, in the premises supplied by Authority, only if and to the extent that such is authorized by the Authority and not violative of any statutes, laws, rules or regulations of any body having jurisdiction in the premises.

I. **Supplementary Provision** - Section 454.6(d) of Authority's Rules and Regulations for Power Service shall not be applicable to service hereunder.

J. **Adjustment Factor** - The Demand Charge, Energy Charge and the Fuel Adjustment shall be multiplied by a factor equal to the efficiency factor ratio of Customer, which represents the ratio of the power and energy delivered to the system of the utility providing delivery-service and the power and energy received by Customer.

K. **Notices** - Customer shall notify Authority and the utility in writing in advance when service is to be discontinued at existing premises. Customer shall provide the name and address, if known, of the successor in occupancy of such premises or portion thereof. If Customer desires service from Authority at another location Customer shall file an amended application pursuant to Authority's requirements.

Revised and Effective: September 22, 1981
L. **Payment of Estimated Bill** - Approximately 10 days prior to initial service Authority will render to Customer an estimated bill for service during the first monthly billing period. This bill will be due and payable within 10 days in accordance with the payment provision of this Service Tariff. Authority will render a similar estimated bill approximately 10 days prior to the start of the second monthly billing period which will be similarly due and payable within 10 days. Thereafter Authority will render to Customer final bill approximately 20 days after the conclusion of each billing period. Authority will also render to Customer at the same time an estimated bill for the next following billing period which will be due and payable within 10 days. Any overpayment by Customer for a previous estimated bill as determined by the final bill for such billing period will be treated as a credit towards the new estimated bill. Any underpayment will be added to the new estimated bill. The new estimated bill and any such underpayment will be due and payable within 10 days of submission in accordance with the payment provision of this Service Tariff.
DELIVERY SERVICE CHARGE
SMALL GENERAL SERVICE

Applicable:
To Power Authority Service Tariff Nos. 11, 12, 13, 14, 15, 16
and 17 as to use of service for light, heat and power for
general uses where the Customer's requirements do not exceed 10
kilowatts.

Rate:
Energy Charge (per month)
For the first 10 kwhr . . . . . 78.80 cents per kwhr
For the next 890 kwhr . . . . . 7.15 cents per kwhr
For the excess over 900 kwhr . . . . . 6.04 cents per kwhr

Provisions Applicable to this Appendix:
1. Service under this Appendix is subject to the rules,
regulations, terms, Common, General and Special Provisions of
the Delivery Service Rate Schedule (PASNY No. 2) of the utility
providing delivery service, 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

Date Effective: September 23, 1983

Power Authority of the State of New York
Issued by Robert A. Hiney, Senior Vice President
Rate II - Time-of-Day" or such other provisions thereof as shall be deemed not to apply to the service hereunder in accordance with paragraph "G" of Customer's respective Power Authority service tariff entitled Additional Regulations.

2. The delivery service charges hereunder shall be subject periodically to an addition or deduction to reconcile the difference between the charges rendered to the Power Authority by the utility providing delivery service for such service for all Authority Customers utilizing such service and the charges billed by the Authority to its 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 the Power Authority.

3. This Appendix shall be subject to an adjustment per kilowatt hour, yet to be determined, related to unrecovered nuclear fuel costs at Indian Point No. 1.

4. This Appendix shall be subject to an adjustment per kilowatt hour permitting the utility providing delivery service to recover its 40 day deferred fuel costs.

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
5. The delivery service charge shall be increased 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 such delivery service.

6. This Appendix shall be subject to a charge representing the Power 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.

7. The charges rendered under this Appendix shall be subject to adjustment as the Authority deems necessary to recover from the Customer any rates, charges, taxes or assessments charged to the Authority by the utility providing delivery service (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 the Authority pursuant to another provision of this Appendix.

8. The current Special Provision (2.A.) included in the Delivery Service Rate Schedule (PASNY No. 2) of the utility providing delivery service, applicable to this Appendix, is as follows:

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
The following Riders of the Company's Schedule for Electricity may be applied to the delivery of power and energy under this Service Classification: B, C, D and G.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
DELIVERY SERVICE CLASSIFICATION—GENERAL—Continued

SPECIAL PROVISIONS—Continued

Service Classification No. 9 of the Company's Schedule for Electricity—Continued

2. Rooming houses, dormitories, hospitals and other institutional care facilities, where the tenants or occupants do not occupy individual units or apartments equipped with separate kitchens and bathroom facilities:

3. Portions of the PASNY Customer's premises which are impractical to meter separately, such as (a) concession stands in office building lobbies or amusement parks not completely separated from the areas surrounding them, (b) individual offices in professional suites having facilities and office services shared by the occupants of such offices, (c) incidental storage space provided in connection with occupancy of other portions of the PASNY Customer's premises.

4. Occupants of the Customer's premises who are primarily engaged in the business of supplying incidental goods or services to the Customer or his students or employees; and

5. Tenants occupying space which does not exceed 10 percent of the total square foot area supplied under this special provision.

The PASNY Customer shall not resell, make a specific charge for, or remeter (or submeter) or measure any of the electric energy so redistributed or furnished, except as provided in Rider G.

8.B. The following Riders of the Company's Schedule for Electricity may be applied to the delivery of power and energy under this Service Classification: B. C. D. and G.

If the PASNY Customer would receive service under former Service Classification No. 11 of the Company's Schedule for Electricity

11.A. The following special provisions apply to delivery of power and energy to public buildings in The City of New York:

1. Public Buildings, Offices and Structures or parts thereof, used by the City for public purposes, in The City of New York:
   a. For the purposes of billing under this tariff, a single premise is defined as:
      (1) A single building, or part of a building, or
      (2) A group of buildings occupied and used exclusively for a unitary function or activity of the City and whose demand metering is pilot-wired by the City to a single point for coincident demand, where either—
         a. The buildings are adjacent and on contiguous property within the same City block, or
         b. The buildings, where separated by a City street, are situated on parcels of land which occupy wholly or in part immediately opposite street frontages on the same street;
   b. The City shall notify the Company in advance, in writing, when delivery service is desired at additional premises, or when delivery service is to be discontinued at existing premises.
   c. Notwithstanding any other provision of this special provision, the New York City Health and Hospitals Corporation shall receive delivery service hereunder. Power and energy will not be delivered hereunder to or for the use of any other governmental or quasi-governmental agency, the New York City Transit Authority, the New York City Off Track Betting Corporation or any other public authority or public corporation.

2. Schools:
   a. The term "school" shall include only public elementary and secondary schools of the City, operated by the Board of Education, and public colleges and universities of the City operated by the Board of Higher Education in The City of New York.

3. Breakdown for City Operated Generating Plant:
   a. The delivery of power and energy to public buildings in The City of New York for breakdown purposes for City operated generating plants shall be subject to Special Provisions 3.A through 3.C.
   b. Pollution Control and Sewage Treatment Plants will be billed under Rate I or Rate D, as appropriate.

If the PASNY Customer would receive service under Service Classification No. 12 of the Company's Schedule for Electricity

12.A. The following Riders of the Company's Schedule for Electricity may be applied to the delivery of power and energy under this Service Classification: D. and G.

(Delivery Service Classification—General—Continued on Leaf No. 13)

Date of Issue: March 13, 1983

Issued by JOHN V. THORNTON, Senior Executive Vice President
4 Irving Place, New York, N.Y. 10002

Date Effective: March 16, 1983

Issued under authority of the Public Service Commission, dated March 16, 1983 in Case 20311
DELIVERY SERVICE CLASSIFICATION—GENERAL—Continued

SPECIAL PROVISIONS—Continued

Service Classification No. 6 and former Service Classification No. 10 of the Company’s Schedule for Electricity—Continued

6. At a splicing chamber furnished and installed by the PASNY Customer at the side of a roadway (as hereinafter defined) or at a point or points mutually agreed upon for street lighting, traffic lighting and similar installations located on marginal streets and ways, parkways, expressways and thoroughways.

7. At a splicing chamber or the grade level and of a standpipe, furnished and installed by the PASNY Customer on the side of the roadway (as hereinafter defined) for units on elevated railroad structures, elevated or depressed highways, bridges, grade separations, traffic interchanges or highway cloverleaf intersections, buildings, or other structures.

8. At a splicing chamber furnished and installed by the PASNY Customer adjacent to the roadway (as hereinafter defined) for lamps in parks, playgrounds, recreation areas or other similar PASNY Customer-owned areas.

9. At weather head conduits installed by the City on top of lampposts located on the side of the roadway when served from the overhead distribution system.

For purposes of this special provision, the word “roadway” shall be deemed to mean that part of a public street, avenue, highway, or service road used for purposes of vehicular traffic, but shall not include parkways, expressways, thoroughways, and other limited access thoroughfares.

The Company will not extend its distribution system solely for street lighting purposes in any portion of a roadway where the abutting property on both sides of a roadway outside the limits of the street is owned by the PASNY Customer.

6. The Company shall have the right to designate whether new lamps shall be multiple or series, and whether they shall be supplied with overhead or underground service. The Company reserves the right to change the type of service and equipment, or any portion thereof, at any location, at its own expense in connection with improvements to its distribution system.

Where underground service is not available, or shall be made available by the Company in streets approximately at grade, the PASNY Customer shall install the necessary street lighting equipment to enable the street lighting service to be delivered from such underground distribution system in accordance with Special Provision 6.A.(5).

7. In the interest of more efficient and economical service, the Company is gradually standardizing its operations and withdrawing from the business of furnishing or maintaining or renting street lighting equipment.

Under the “Facilities and Service Connection Charges” section of “Rate F”, the Company will continue to maintain control equipment and control wiring for existing Company-owned multiple and series circuits and any new lighting units for which the Company designates the use of same service. For other lighting units the PASNY Customer will furnish and install, and maintain the necessary control devices.

8. The PASNY Customer shall cause its employees, contractors or agents performing work on same or series-multiple lighting circuits, to obtain permission to do so from the Company’s Emergency Foreman before commencing any work.

If the PASNY Customer would receive service under Service Classification No. 8 of the Company’s Schedule for Electricity

B. A. The following Rider of the Company’s Schedule for Electricity may be applied to the delivery of power and energy under this Service Classification: B. C. D. and G.

If the PASNY Customer would receive service under Service Classification No. 9 of the Company’s Schedule for Electricity

B. A. The PASNY Customer may redistribute or furnish electric power for the use of its tenants or occupants in the building or premises at which the electric energy is delivered under this special provision where the electric energy so redistributed is to:

1. Transient or non-transient occupants of a facility operated primarily for transients.

(Delivery Service Classification—General—Continued on Leaf No. 12)
providing delivery service, applicable to this Appendix, are attached hereto as Exhibit V.

General Provision:

Nothing in this agreement is intended to change, alter or diminish any of the rights, privileges or benefits enuring 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 public utility 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.

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
5. The delivery service charge shall be increased 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 such delivery service.

6. This Appendix shall be subject to a charge representing the Power Authority's share of the savings passed on to Madison Square Garden in accordance with Section 3, Chapter 459, 1982 N.Y. Laws.

7. The charges rendered under this Appendix shall be subject to adjustment as the Authority deems necessary to recover from the Customer any rates, charges, taxes or assessments charged to the Authority by the utility providing delivery service (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 the Authority pursuant to another provision of this Appendix.

8. The current Special Provisions (9.A. and 9.B.) included in the Delivery Service Rate Schedule (PASNY No. 2) of the utility

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
Rate II - Time-of-Day or such other provisions thereof as shall be deemed not to apply to the service hereunder in accordance with paragraph "G" of Customer's respective Power Authority service tariff entitled Additional Regulations.

2. The delivery service charges hereunder shall be subject periodically to an addition or deduction to reconcile the difference between the charges rendered to the Power Authority by the utility providing delivery service for such service for all Authority Customers utilizing such service and the charges billed by the Authority to its 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 the Power Authority.

3. This Appendix shall be subject to an adjustment per kilowatt hour, yet to be determined, related to unrecovered nuclear fuel costs at Indian Point No. 1.

4. This Appendix shall be subject to an adjustment per kilowatt hour permitting the utility providing delivery service to recover its 40 day deferred fuel costs.

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
DELIVERY SERVICE CHARGE

LARGE GENERAL SERVICE

Applicable:

To Power Authority Service Tariff Nos. 11, 12, 13, 14, 15, 16, and 17 as to use of service for light, heat and power for general uses where Customer's requirements are in excess of 10 kilowatts.

Rate:

Demand Charge (per month) | Low Tension Service | High Tension Service
--- | --- | ---
For the first 1,300 kw of maximum demand | $12.35 per kw | $11.12 per kw
For excess over 1,300 kw of maximum demand | $11.22 per kw | $10.10 per kw

Provisions Applicable to this Appendix:

1. Service under this Appendix is subject to the rules, regulations, terms, Common, General and Special Provisions of the Delivery Service Rate Schedule (PASNY No. 2) of the utility providing delivery service, 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".

Date Effective: September 23, 1983

Power Authority of the State of New York

Issued by Robert A. Hiney, Senior Vice President
Mr. Anthony V. Gazzara  
Vice President for Inter- governmental Relations  
Jacob K. Javits Convention Center  
of New York  
655 West 34th Street  
New York, New York  10001

Dear Mr. Gazzara:

Enclosed for your files is a fully executed contract for sale of Power Authority power and energy to the Jacob K. Javits Convention Center of New York. When the Convention Center is ready to accept service, please so advise us.

Please note that, as of December 3, 1985, the production rates for Service Tariff No. 12 have been reduced. The new rates have been incorporated into the enclosed contract.

If you have any questions, please feel free to have your representative contact Mr. Robert H. Gow, at (212) 397-6384.

Sincerely,

Robert J. Deasy  
Vice President  
Power Contracts

Encl.

bcc: Messrs. Sinclair, Hiney, Pratt, Duffy, Pellegrino, Larson, Howland, Luzzi, Peterson, Fuller, Gow, Spieler  
Ms. Caligiuri

acp
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
### SCHEDULE B

**FIXED COSTS ALLOCATION**

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

#### Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges, Group 6 is further reallocated to individual customers.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>$6,189,960</td>
<td>$515,830</td>
<td>$5,718,344</td>
<td>$471,816</td>
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<tr>
<td>2</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>$26,243,910</td>
<td>$2,186,993</td>
<td>$24,244,374</td>
<td>$1,999,536</td>
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</tr>
<tr>
<td>3</td>
<td>Group 3</td>
<td>818,832</td>
<td>46.7%</td>
<td>$49,041,510</td>
<td>$4,086,793</td>
<td>$45,305,014</td>
<td>$3,736,496</td>
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<tr>
<td>4</td>
<td>Group 4</td>
<td>811,866</td>
<td>4.7%</td>
<td>$4,904,340</td>
<td>$408,695</td>
<td>$4,530,876</td>
<td>$373,684</td>
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<td>5</td>
<td>Group 5</td>
<td>236,064</td>
<td>13.6%</td>
<td>$14,256,160</td>
<td>$1,188,180</td>
<td>$13,171,824</td>
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<td>6</td>
<td>Group 6</td>
<td>53,306</td>
<td>3.0%</td>
<td>$3,192,630</td>
<td>$266,053</td>
<td>$2,949,382</td>
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<tr>
<td>7</td>
<td>Group 6 A</td>
<td>10,000</td>
<td>18.8%</td>
<td>$598,920</td>
<td>$49,910</td>
<td>$553,288</td>
<td>$45,632</td>
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<tr>
<td>8</td>
<td>Group 6 B</td>
<td>5,000</td>
<td>9.4%</td>
<td>$299,460</td>
<td>$24,955</td>
<td>$276,644</td>
<td>$22,816</td>
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<td>9</td>
<td>Group 6 C</td>
<td>14,000</td>
<td>26.3%</td>
<td>$838,488</td>
<td>$69,874</td>
<td>$774,504</td>
<td>$63,885</td>
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<td>10</td>
<td>Group 6 D</td>
<td>24,306</td>
<td>46.6%</td>
<td>$1,456,761</td>
<td>$121,313</td>
<td>$1,344,846</td>
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<td>11</td>
<td>Group 7</td>
<td>19,527</td>
<td>1.1%</td>
<td>$1,169,490</td>
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<td>$1,080,386</td>
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<td>12</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
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</tbody>
</table>

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
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<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
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<tr>
<td>General Rate Design Support</td>
<td>$122,344</td>
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<td>$50,000</td>
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<td>$172,344</td>
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<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
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<td></td>
<td>$22,600</td>
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<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
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<td></td>
<td></td>
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<td>$3,583,904</td>
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<td>Asset Retirement - Kensico (2018-2022)</td>
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<td></td>
<td></td>
<td></td>
<td>$480,742</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which CCOC’s share is 45.04 percent, may be passed through to CCOC on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
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</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
## SCHEDULE E

### LOAD BUS NAMES & INCLUDED CUSTOMERS

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESDC</td>
</tr>
</tbody>
</table>
**SCHEDULE F**

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Cost</td>
<td>$30,069,731</td>
<td></td>
</tr>
<tr>
<td>Purchase Power - Energy</td>
<td>$29,603,651</td>
<td></td>
</tr>
<tr>
<td>Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Zone A CFD’s</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Zone D (St. Lawrence Bus)</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Zone D CFD</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Zone G (Ashokan Bus)</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Zone G CFD’s</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Marginal Losses</td>
<td>$1,860,518</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Purchase Power - NYISO Expenses</td>
<td>$2,690,079</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
</tr>
<tr>
<td>NTAC</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Trasonic Facilities Charge</td>
<td>$334,613</td>
<td>Pass-through</td>
</tr>
<tr>
<td>MSSCFC Expense</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Purchase Power - Other</td>
<td>$0</td>
<td>Rate based</td>
</tr>
<tr>
<td>Clean Energy Standard Purchases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power - Capacity</td>
<td>$2,056,603</td>
<td></td>
</tr>
<tr>
<td>NYC, including 500 MW offset</td>
<td>$668,484</td>
<td>Pass-through/D9*</td>
</tr>
<tr>
<td>ROS</td>
<td>$109,582</td>
<td>Pass-through</td>
</tr>
<tr>
<td>LVV</td>
<td>$681,905</td>
<td>Pass-through</td>
</tr>
<tr>
<td>Demand Curve</td>
<td>$596,533</td>
<td></td>
</tr>
<tr>
<td>NYC (In-City &amp; In-City ROS)</td>
<td>$337,791</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>ROS</td>
<td>$12,037</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>LVV</td>
<td>$446,715</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>Transmission Congestion Contracts (TCC)</td>
<td>($2,285,414)</td>
<td></td>
</tr>
<tr>
<td>GFTCC Cost (600 MW Upper Path)</td>
<td>$1,514,600</td>
<td>D9**</td>
</tr>
<tr>
<td>GFTCC Rents (600 MW Upper Path)</td>
<td>($4,825,883)</td>
<td></td>
</tr>
<tr>
<td>HPFTCC Cost (600 MW Lower Path)</td>
<td>NA</td>
<td>E1**</td>
</tr>
<tr>
<td>HPFTCC Rents (600 MW Lower Path)</td>
<td>NA</td>
<td>E1**</td>
</tr>
<tr>
<td>Other GFTCC - Congestion Reimbursement - Con Ed</td>
<td>$3,092,069</td>
<td></td>
</tr>
<tr>
<td>500 MW CEU</td>
<td>D9*</td>
<td></td>
</tr>
<tr>
<td>Revenues &amp; Cost</td>
<td>($1,999,586)</td>
<td>D9*</td>
</tr>
<tr>
<td>Energy Revenues</td>
<td>($6,993,156)</td>
<td>D9*</td>
</tr>
<tr>
<td>Ancillary Services Revenues</td>
<td>($429,117)</td>
<td>D9*</td>
</tr>
<tr>
<td>Ancillary Service Expenses</td>
<td>$47,388</td>
<td>D9*</td>
</tr>
<tr>
<td>Fuel Expense</td>
<td>D9*</td>
<td></td>
</tr>
<tr>
<td>Base fuel expense</td>
<td>$6,412,789</td>
<td>D9*</td>
</tr>
<tr>
<td>Fuel Hedge</td>
<td>NA</td>
<td>D9*</td>
</tr>
<tr>
<td>RGGI Expense</td>
<td>$361,122</td>
<td>D9*</td>
</tr>
<tr>
<td>Supplemental Bid Production Cost Guarantee</td>
<td>($445,950)</td>
<td>D9*</td>
</tr>
<tr>
<td>Zone J CIG Settlement</td>
<td>NA</td>
<td>D9*</td>
</tr>
<tr>
<td>Business Interruption Insurance</td>
<td>$43,903</td>
<td>D9*</td>
</tr>
<tr>
<td>Emission Credits</td>
<td>50</td>
<td>D9*</td>
</tr>
<tr>
<td>Balancing Energy</td>
<td>$9,677</td>
<td>D9*</td>
</tr>
</tbody>
</table>

* Avg. 2015-2016 D9 % Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021*
** Avg. 2014-2015 E1 % Allocation for the term of the Agreement
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
### SCHEDULE H

500 MW Plant Annual Debt Service Payments¹

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$-</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

---

**Notes**

¹ Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Electric Service Tariff for New York City

Governmental Key Customers

Service Tariff No. 130

Date of Issue: January 1, 2018

Date Effective: January 2018

Bill Period
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<td>2. Provision of Delivery Service .....................................</td>
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<td>3. Temporary Service .....................................................</td>
</tr>
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<td>6. Redistribution of Electric Service ..................................</td>
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| E. Production Rate Structure Updates ................................... |
| F. Production Rate Development ......................................... |

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</tr>
</thead>
<tbody>
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<td>1. Gross Receipt Tax Surcharge .......................................</td>
</tr>
<tr>
<td>2. Delivery Revenue Surcharge .........................................</td>
</tr>
<tr>
<td>3. Revenue Decoupling Mechanism Adjustment ......................</td>
</tr>
<tr>
<td>4. 18-a Assessment Surcharge ..........................................</td>
</tr>
<tr>
<td>5. Smart Grid Surcharge ..................................................</td>
</tr>
<tr>
<td>6. Reactive Power Demand Charge ......................................</td>
</tr>
<tr>
<td>7. Other Charges and Adjustments ....................................</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
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<td>C. Adjustment of Charges</td>
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<td>D. Proration of Monthly Rates and Charges</td>
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<td>F. Seasonal Proration</td>
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<td>G. Billing Period Proration</td>
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</tr>
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</tr>
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<td>39</td>
</tr>
<tr>
<td>J. Rights</td>
<td>39</td>
</tr>
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</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability

To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- \(kW\) kilowatt(s)
- \(kWh\) kilowatt-hour(s)
- \(kVA\) kilovolt-ampere(s)
- \(kVar\) kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCGKCRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### 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.

### 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.

(Calculation of the Bill – Continued on Leaf No. 8)
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.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th>Energy (¢/kWh)</th>
<th>Production</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer</td>
<td>5.553</td>
<td>19.730</td>
</tr>
<tr>
<td>Winter</td>
<td>5.208</td>
<td>19.730</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

## CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
<td>High Tension</td>
<td></td>
</tr>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>$6.35</td>
<td>25.91</td>
<td>19.77</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.341</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td></td>
<td>1.97</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td></td>
<td>1.97</td>
<td></td>
</tr>
</tbody>
</table>

### Time Period Conventional:

- All hours, all days

### Season:

- Summer – June through September
- Winter – October through May

(SC 65 – Continued on Leaf No. 11)
Service Classification No. 65 (continued)

Electric Traction Systems and Platform Lighting

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The Special Provision 2 (P.S.C. No. 12) and General Provisions -Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

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<thead>
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### TOD

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</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

**Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

**Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
As-Used Daily Standby Demand: The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

Excess Energy: Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

D. Rules of Service

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

E. Determination of Production Standby Demand Charges

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
## Service Classification 65 Conventional

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## Service Classification 69 Conventional

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## Service Classification 69 Time of Day

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<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
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</table>
F. **Production Energy Service**

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. **Excess Energy Compensation**

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. **Delivery Service Charges**

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. **Metering**

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. **Power Factor Correction**

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:

   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;

   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;

   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;

   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy**: The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account**: NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy:** The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering:** The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges:** Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering:** A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account:** NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

**C. Requirements for Service:**
1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

**D. Metering:**
Meters shall be furnished, installed, employed, and maintained as required by the Utility.

**E. Remote Net Metering:**
1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.
   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.
   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

(a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

(b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

(c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

(a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

(b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

(c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process
The following procedures shall apply:

(a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure
NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

(a) the first cycle date on which a reading is taken following the requested turn off date, or

(b) the date of a special reading, which a Customer may request for a charge.

After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes
NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 ("P.S.C. No. 12"), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:

a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.

b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.

c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

### F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

### I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment ("ECA"). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

$$ECA \text{ rate} \ (\$/kWh) = \frac{ECA \text{ balance}}{\text{forecasted energy} \ (kWh)}$$

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges ("TUC") which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge

   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge

   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   Statement

   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment

   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   Mechanism

   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge
On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

Statement
The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. **Smart Grid Surcharge**

   As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

   a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

   b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

   c) An adjustment that reconciles prior periods

   The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. **Reactive Power Demand Charge**

   The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. **Other Charges and Adjustments**

   In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

   a. **Charge for Demand Management Programs**

   The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

   The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
b. **Charge for PJM OATT Rates and Charges**

The charge for PJM OATT rates and charges (“PJM OATT Charge”) will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas (“PSEG”) wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. **Charges Associated with the Brooklyn/Queens Demand Management Program**

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program (“BQDMP”), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on...
h. Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined...
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT (“Agreement”) dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended (“NYPA”), the New York State Urban Development Corporation doing business as Empire State Development (“ESD”). NYPA and the New York State Urban Development Corporation doing business as Empire State Development are referred to herein collectively, as the “Parties” and individually, as a “Party”.

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and the New York State Urban Development Corporation doing business as Empire State Development dated February 13, 1996 (“Application for Electric Service”) and attached hereto as Exhibit B, NYPA supplies electricity to the ESD;

WHEREAS, effective as of August 12, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the “2005 Agreement”); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for ESD, and ESD agrees to remain a customer of NYPA subject to the terms set forth herein. ESD will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. (“Con Edison”) via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the ESD, NYPA will only charge the ESD for costs incurred by NYPA to provide power to the ESD, as such costs are specifically identified in this Agreement.
2.2. **Additional Service Conditions.** The Parties agree to the following additional conditions in relation to the provision of service:

(a) Subject to the specific provisions hereof, ESD shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) ESD agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant ("500 MW Plant");

(c) ESD agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the ESD’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPA will place the Battery Park City Authority, the Convention Center Operating Corporation, Empire State Development, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

**ARTICLE III**  
**TERM AND TERMINATION**

3.1. **Term.** This Agreement shall be effective as of January 1, 2018 ("Effective Date"). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the "Term").

3.2. **Termination.** This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) ESD may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) ESD may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that ESD will pay any and all outstanding Financial Obligations owed by ESD under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.** Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYPA’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which ESD represents 13.16 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which ESD represents 13.16 percent of that share. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYPA to the ESD, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the ESD of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the ESD without its express written consent.

4.2. **Billing of Fixed Costs.** On an annual basis, ESD’s share of the Fixed Costs shall be apportioned equally over a twelve (12) month period using the D9 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the ESD bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills.
4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by ESD, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the ESD separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in *Schedule F*, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the ESD, and attributable solely to the ESD. An illustrative example of Variable Costs is annexed hereto as *Schedule F*. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to ESD without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in *Schedule C* annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which ESD’s share is 13.16 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which ESD’s share is 16.20 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in *Schedule D* is 1.095 percent, of which ESD’s share is 13.16 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To
the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the ESD as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, ESD shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the ESD with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. The NYC Governmental Customers will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria II (“AEII”) plant will continue to support the supply of energy and capacity to the ESD. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of the ESD. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the ESD. Any purchases of renewable market products (e.g., energy, capacity
or ancillary services) by the ESD, or by NYPA on behalf of the ESD, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the ESD will pay any and all Financial Obligations owed by the ESD arising from such renewable market purchases. Purchases by NYPA for the ESD pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) ESD will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to ESD’s proposed date for deliveries of such products to commence, and ESD and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. ESD shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to ESD in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the ESD paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, ESD shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, ESD may authorize NYPA to purchase a percentage of ESD’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. ESD purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the ESD via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, ESD may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If ESD exercises this option for such other terms and conditions, ESD shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. **2005 Agreement**

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. **Approvals.** The execution of this Agreement will be contingent on approval by ESD’s board of directors and by NYPA's Board of Trustees.

6.3. **Notices.** All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York  
123 Main Street  
Mail Stop 10  
White Plains, NY 10601  
Attn: Vice President, Economic Development

With copies to (at the same address):

Principal Attorney

If to ESD, to:

Empire State Development
6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement
a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against ESD arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

NEW YORK STATE URBAN DEVELOPMENT CORPORATION DOING BUSINESS AS EMPIRE STATE DEVELOPMENT

By: __________________________
Name: __________________________
Title: __________________________
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

“E1 Allocator” means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at ESD’s direction, for which payment ESD is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to ESD, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the ESD pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the ESD’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
NewYorkPower Authority

November 17, 1995

Mr. Joseph Branca
Chief Financial Officer
Empire State Development Corporation
633 Third Avenue
New York, NY 10017

Dear Mr. Branca:

The New York State Urban Development Corporation (hereinafter called the "Customer") and Power Authority of the State of New York (hereinafter called the "Authority") are parties to a power sales arrangement under which the Authority would supply firm power and energy to the Customer through an Application for Electric Service (hereinafter called the "Application").

The following clarification shall apply to the Application when executed by both parties:

In connection with the Application, the Customer and the Authority hereby agree that the initiation and continuation of service by the Authority to each site must be consistent with the continuation and maintenance of the tax exempt status of the Authority's debt obligations, and, consequently, the Authority shall have the right to deny or discontinue service to any such site if such service would be inconsistent with the continuation and maintenance of such status.

If you are in agreement with the foregoing, please execute both copies of this letter agreement in the space provided below and return one executed copy to the Authority.

Very truly yours,

Robert G. Schoenberger

ACCEPTED:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

BY:__________________

TITLE: Chief Financial Officer

DATE: Nov 7, 1995
POWER AUTHORITY OF THE STATE OF NEW YORK
1633 BROADWAY, NEW YORK, N.Y. 10019

APPLICATION FOR ELECTRIC SERVICE

THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION, and its successor (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority’s applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customer’s facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the furnishing of electric services hereunder are subject in all respects to the provisions of Authority’s Rules and Regulations for
Power Service and to the applicable Tariff, both as they may be
later amended from time to time.

Notwithstanding the notice requirement set forth in the second
paragraph of General Provision J (Continuance and Termination of
Service) of Service Tariff No. 55 which is appended hereto, Customer
may terminate service at any time after one year's service on written
notice to the Authority at least twelve months in advance.

Upon acceptance by Authority and approval of the Governor
pursuant to Section 1009 of the Power Authority Act this Application
together with the applicable Service Tariff shall constitute a contract
between the parties for electric service hereunder.

Customer: THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

By: [Signature]

Title: Chief Financial Officer

Date: [Signature]

(Attest) [Signature]

Date: [Signature]

Accepted:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: [Signature]

Chairman

Date: [Signature]

(Attest) [Signature]

By: [Signature]

Secretary
ACKNOWLEDGEMENTS

State of New York )ss:

County of New York

On this 13th day of February, 1996, before me personally came Clarence D. Rappleyea and Anne Wagner-Findeisen, to me known, who each being by me duly sworn, did severally depose and say that they reside in Norwich, New York and in Cranford, New Jersey, respectively, and that they are Acting Chairman and Secretary of Power Authority of the State of New York. That executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

[Signature]
Notary Public in the State of New York
Residing in the County of
My Commission expires

(Notarial Seal)

State of New York )ss:

County of New York

On this 6th day of June, 1996, before me personally came Joseph A. Franco and __________ to be known, who being duly sworn, did depose and say that reside in ____________________________ and ____________________________ respectively, and that they are __________ and __________ of the __________ of the __________ in __________, and that executed the foregoing instrument; that they know the seal of said entity that one of the seals affixed to said instrument is such entity's seal; that it was so affixed by order of the __________ of said entity and that they signed their names thereto by like order.

[Signature]
Notary Public in the State of New York
Residing in the County __________
My Commission expires __________
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
## SCHEDULE B

### FIXED COSTS ALLOCATION

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

### SCHEDULE B

**FIXED COSTS ALLOCATION EXAMPLE**

Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges. Group 6 is further reallocated to individual customers.

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<th>Line</th>
<th>Description</th>
<th>D9 kW</th>
<th>Allocation %</th>
<th>2015-2016 Av. Fixed Costs</th>
<th>Allocation</th>
<th>500 MW Fixed Costs</th>
<th>NYPA's LSE Fixed Costs</th>
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</thead>
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<td></td>
<td></td>
<td></td>
<td>2015-2016 Av.</td>
<td></td>
<td>2015-2016 Av.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fixed Costs</td>
<td>Allocated Share</td>
<td>Fixed Costs</td>
<td>Allocated Share</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>1,999,536</td>
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<td>Group 3</td>
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<td>46.7%</td>
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<td>4,086,793</td>
<td>45,305,014</td>
<td>3,736,496</td>
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<tr>
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<td>Group 4</td>
<td>81,886</td>
<td>4.7%</td>
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<td>408,695</td>
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<td>Group 5</td>
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<td>Group 6</td>
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<td>$3,192,630</td>
<td>266,053</td>
<td>2,949,382</td>
<td>243,248</td>
</tr>
<tr>
<td>7</td>
<td>Group 6 A</td>
<td>10,000</td>
<td>18.8%</td>
<td>$598,920</td>
<td>$49,910</td>
<td>$553,288</td>
<td>45,632</td>
</tr>
<tr>
<td>8</td>
<td>Group 6 B</td>
<td>5,000</td>
<td>9.4%</td>
<td>$299,460</td>
<td>24,955</td>
<td>276,644</td>
<td>22,816</td>
</tr>
<tr>
<td>9</td>
<td>Group 6 C</td>
<td>14,000</td>
<td>26.3%</td>
<td>$838,488</td>
<td>69,874</td>
<td>774,604</td>
<td>63,885</td>
</tr>
<tr>
<td>10</td>
<td>Group 6 D</td>
<td>24,306</td>
<td>45.6%</td>
<td>$1,455,761</td>
<td>121,313</td>
<td>$1,344,846</td>
<td>110,915</td>
</tr>
<tr>
<td>11</td>
<td>Group 7</td>
<td>19,527</td>
<td>1.1%</td>
<td>$1,169,490</td>
<td>97,458</td>
<td>$1,080,386</td>
<td>89,104</td>
</tr>
<tr>
<td>12</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td></td>
<td>$122,344</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
<td></td>
<td></td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which ESD’s share is 13.16 percent, may be passed through to ESD on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
SCHEDULE E

LOAD BUS NAMES & INCLUDED CUSTOMERS

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone J</td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESD</td>
</tr>
</tbody>
</table>
**SCHEDULE F**

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$30,069,731</td>
<td></td>
</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$29,601,651</td>
<td></td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through (27)</td>
</tr>
<tr>
<td>(4) Zone D CFID's</td>
<td>$2,153,204</td>
<td>Pass-through (30)</td>
</tr>
<tr>
<td>(5) Zone D CFID's (Lawrence Bus)</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6) Zone D CFID</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7) Zone G (Ashokan Bus)</td>
<td>$14,028,615</td>
<td>Pass-through (32)</td>
</tr>
<tr>
<td>(8) Zone G CFID's</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9) Marginal Losses</td>
<td>$1,560,518</td>
<td>Pass-through (34)</td>
</tr>
<tr>
<td>(10) Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through (35)</td>
</tr>
<tr>
<td>(11) Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through (36)</td>
</tr>
<tr>
<td>(12) Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through (37)</td>
</tr>
<tr>
<td>(13) Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through (38)</td>
</tr>
<tr>
<td>(14) NTAC</td>
<td>$718,022</td>
<td>Pass-through (39)</td>
</tr>
<tr>
<td>(15) Transco Facilities Charge</td>
<td>$334,613</td>
<td>Pass-through (40)</td>
</tr>
<tr>
<td>(16) MSFCF Expense</td>
<td>NA</td>
<td>Pass-through (41)</td>
</tr>
<tr>
<td>(17) Purchase Power - Other</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>(18) Clean Energy Standard Purchases</td>
<td>NA</td>
<td>Rate based (43)</td>
</tr>
<tr>
<td>(19) Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td></td>
</tr>
<tr>
<td>(20) NYC, including 500 MW offset</td>
<td>$668,484</td>
<td>Pass-through (45)</td>
</tr>
<tr>
<td>(21) ROS</td>
<td>$137,781</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(22) LHV</td>
<td>$12,037</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(23) Demand Curve</td>
<td>$596,533</td>
<td></td>
</tr>
<tr>
<td>(24) NYC (In-City &amp; In-City ROS)</td>
<td>$12,037</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(25) LHV</td>
<td>$446,715</td>
<td>Cap Tag</td>
</tr>
</tbody>
</table>

*Avg. 2015-2016 D9 % Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021*

**Avg. 2014-2015 E1 % Allocation for the term of the Agreement**
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
## SCHEDULE H

### 500 MW Plant Annual Debt Service Payments\(^1\)

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

### Notes

\(^1\) Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City

Governmental Key Customers

Service Tariff No. 130

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Service Classification No. 65</th>
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<tr>
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</table>

<table>
<thead>
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<tbody>
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</table>

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RIDER B</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RIDER C</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Reserved for future use) ................................................... 23</td>
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</table>

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</tr>
</thead>
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</tr>
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</tr>
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</tr>
</tbody>
</table>

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<th>Description</th>
</tr>
</thead>
<tbody>
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<td>E.</td>
<td>Customer Requirements for Production and Delivery Service</td>
</tr>
<tr>
<td>1.</td>
<td>Provision of Production Service</td>
</tr>
<tr>
<td>2.</td>
<td>Provision of Delivery Service</td>
</tr>
<tr>
<td>3.</td>
<td>Temporary Service</td>
</tr>
<tr>
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<td>Initiation, Continuance, and Termination of Service</td>
</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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<td>Billing Period</td>
</tr>
<tr>
<td>H.</td>
<td>Payment</td>
</tr>
<tr>
<td>I.</td>
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</tr>
<tr>
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<td>Customer Information for Supply Planning</td>
</tr>
<tr>
<td>K.</td>
<td>Bill Proration</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Leaf No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Energy Charge Adjustment</td>
</tr>
<tr>
<td>B.</td>
<td>Effective Date of Rates and Charges</td>
</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
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</table>

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<table>
<thead>
<tr>
<th>Leaf No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Rates and Charges</td>
</tr>
<tr>
<td>1.</td>
<td>Gross Receipt Tax Surcharge</td>
</tr>
<tr>
<td>2.</td>
<td>Delivery Revenue Surcharge</td>
</tr>
<tr>
<td>3.</td>
<td>Revenue Decoupling Mechanism Adjustment</td>
</tr>
<tr>
<td>4.</td>
<td>18-a Assessment Surcharge</td>
</tr>
<tr>
<td>5.</td>
<td>Smart Grid Surcharge</td>
</tr>
<tr>
<td>6.</td>
<td>Reactive Power Demand Charge</td>
</tr>
<tr>
<td>7.</td>
<td>Other Charges and Adjustments</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule..........................................................</td>
<td>37</td>
</tr>
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<td>E. Minimum Bill..................................................................................</td>
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</tr>
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<td>J. Rights.........................................................................................</td>
<td>39</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability
To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.

(Frequently used Abbreviations and Terms – Continued on Leaf No. 6)
High Tension: 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

Low Tension: 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

Load Serving Entity: This term has the meaning provided for in the Agreement.

NYISO Tariffs: The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

Production: Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

Rules: 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 NYCGKCR § 454) as now in effect and as may be later amended from time to time by Authority.

Service Tariff: This Service Tariff

Third-Party Supplier: A supplier of power and energy other than Authority.

Utility: Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
### Calculation of the Bill - Continued

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.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>5.553</td>
<td>19.730</td>
</tr>
<tr>
<td>Winter</td>
<td>5.208</td>
<td>19.730</td>
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</table>

**Time Period Conventional:**
- All hours, all days

**Season:**
- Summer – June through September
- Winter – October through May

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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.

CONVENTIONAL

<table>
<thead>
<tr>
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<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
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<tr>
<td></td>
<td>Low Tension</td>
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</tr>
<tr>
<td>Demand ($/kW)</td>
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<td>25.91</td>
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<td>Energy (¢/kWh)</td>
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<tr>
<td>Summer</td>
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<td>Winter</td>
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<td>Reactive Power ($/kVar)</td>
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<td>Billable reactive power</td>
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<td></td>
</tr>
<tr>
<td>exception</td>
<td></td>
<td>1.97</td>
</tr>
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</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May
| **Service Classification No. 65 (continued)** |
| Electric Traction Systems and Platform Lighting |

**Production:**
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

**Delivery Service:**
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The Special Provision 2 (P.S.C. No. 12) and General Provisions -Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

**Standby Service:**
- If Rider A applies under this Service Classification, the Rates and Chargers under Rider A will replace the above production rates.

**Net Metering:**
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
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<td></td>
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<td>Low Tension</td>
<td>High Tension</td>
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</tr>
<tr>
<td>Demand ($/kW)</td>
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<td></td>
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TOD

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<td>Low Tension</td>
<td>High Tension</td>
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</tr>
<tr>
<td>Demand ($/kW)</td>
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<tr>
<td></td>
<td>Induction-generation exception</td>
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</tbody>
</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  Transmission: 8 a.m. to 6 p.m. weekdays
  Primary: 8 a.m. to 10 p.m. weekdays
  Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

**Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

**Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
**As-Used Daily Standby Demand:** The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

**Excess Energy:** Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

**D. Rules of Service**

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

**E. Determination of Production Standby Demand Charges**

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
### Service Classification 65 Conventional

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
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<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
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### Service Classification 69 Conventional

<table>
<thead>
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<th></th>
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</tr>
</thead>
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<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.205</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.218</td>
<td>$0.202</td>
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</table>

### Service Classification 69 Time of Day

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.201</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
<td>$0.202</td>
</tr>
</tbody>
</table>
F. Production Energy Service
Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation
The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges
Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering
The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction
The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
Net Energy: The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

Net Metering: The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

Outstanding Charges: Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

Remote Net Metering: A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

Satellite Account: NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

C. Requirements for Service:

1. Service under this Rider is limited to Customers who meet the SIR requirements.

2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.

3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

D. Metering:

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

E. Remote Net Metering:

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:

   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.

   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.

   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the...
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process
   The following procedures shall apply:
   (a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.
   (b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.
   (c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure
   NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:
   (a) the first cycle date on which a reading is taken following the requested turn off date, or
   (b) the date of a special reading, which a Customer may request for a charge.
   After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes
   NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 accounts of 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 agreement, the following provisions concerning continuance and termination of service shall apply:

a) Initiation of service will be upon approved application of customer, under the procedures specified in the rules.

b) Once initiated, service will continue until cancelled or terminated by authority pursuant to required notice as provided in the rules.

c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from account turn-offs; load management; or energy conservation.

c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment (“ECA”). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \text{ rate} (\$/\text{kWh}) = \frac{ECA \text{ balance}}{\text{forecasted energy (kWh)}}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates
Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development
To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge

   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge

   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   Statement

   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment

   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   Mechanism

   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later

Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
5. **Smart Grid Surcharge**

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. **Reactive Power Demand Charge**

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. **Other Charges and Adjustments**

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. **Charge for Demand Management Programs**

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
b. Charge for PJM OATT Rates and Charges

The charge for PJM OATT rates and charges (“PJM OATT Charge”) will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas (“PSEG”) wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. Charges Associated with the Brooklyn/Queens Demand Management Program

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program (“BQDMP”), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on
h. Costs and Incentives Associated with Non-Wires Alternatives ("NWAs")

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT (“Agreement”) dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended (“NYPA”), and Hudson River Park Trust, a New York State public benefit corporation created by the Legislature of the State by Chapter 592 of the Laws of 1998, as amended (“HRPT”). NYPA and Hudson River Park Trust are referred to herein collectively, as the “Parties” and individually, as a “Party”.

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and Hudson River Park Trust dated April 27, 2004 (“Application for Electric Service”) and attached hereto as Exhibit B, NYPA supplies electricity to the HRPT;

WHEREAS, effective as of June 10, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the “2005 Agreement”); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II

ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for HRPT, and HRPT agrees to remain a customer of NYPA subject to the terms set forth herein. HRPT will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. (“Con Edison”) via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the HRPT, NYPA will only charge the HRPT for costs incurred by NYPA to provide power to the HRPT, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, HRPT shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) HRPT agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) HRPT agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the HRPT’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPA will place the Battery Park City Authority, the Convention Center Operating Corporation, the Empire State Development Corporation, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) HRPT may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) HRPT may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that HRPT will pay any and all outstanding Financial Obligations owed by HRPT under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.** Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYPA’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which HRPT represents 2.86 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which HRPT represents 2.86 percent of that share. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYPA to the HRPT, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the HRPT, the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the HRPT without its express written consent.

4.2. **Billing of Fixed Costs.** On an annual basis, HRPT’s share of the Fixed Costs shall be apportioned equally over a twelve (12) month period using the D9 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the HRPT bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills.
4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by HRPT, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the HRPT separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the HRPT, and attributable solely to the HRPT. An illustrative example of Variable Costs is annexed hereto as Schedule F. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to HRPT without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which HRPT’s share is 2.86 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which HRPT’s share is 4.66 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent, of which HRPT’s share is 2.86 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To
the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the HRPT as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, HRPT shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the HRPT with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. The NYC Governmental Customers will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria II (“AEII”) plant will continue to support the supply of energy and capacity to the HRPT. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of the HRPT. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the HRPT. Any purchases of renewable market products (e.g., energy,
capacity or ancillary services) by the HRPT, or by NYPA on behalf of the HRPT, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the HRPT will pay any and all Financial Obligations owed by the HRPT arising from such renewable market purchases. Purchases by NYPA for the HRPT pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) HRPT will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to HRPT’s proposed date for deliveries of such products to commence, and HRPT and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. HRPT shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to HRPT in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the HRPT paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, HRPT shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, HRPT may authorize NYPA to purchase a percentage of HRPT’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. HRPT purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the HRPT via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, HRPT may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If HRPT exercises this option for such other terms and conditions, HRPT shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. **2005 Agreement**

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;

ii. The 80/20 voting rule; and

iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. **Approvals.** The execution of this Agreement will be contingent on approval by the HRPT Board of Directors, and by NYPA’s Board of Trustees.

6.3. **Notices.** All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):
Principal Attorney

If to the HRPT, to:

Hudson River Park Trust
6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if
such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against HRPT arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

HUDSON RIVER PARK TRUST

By: __________________________
Name: Madelyn Wils
Title: President
EXHIBIT A
DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

“E1 Allocator” means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at HRPT’s direction, for which payment HRPT is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to HRPT, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the HRPT pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the HRPT’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
POWER AUTHORITY OF THE STATE OF NEW YORK
123 MAIN STREET, WHITE PLAINS, N.Y. 10601

APPLICATION FOR ELECTRIC SERVICE

HUDSON RIVER PARK TRUST, (hereinafter called "Customer") hereby applies to
POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority")
for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will
be supplied to Customer under the applicable Service Tariff(s) to the extent that
Authority determines that it has capacity available to provide such power and energy.
Customers who receive power and energy pursuant to such tariff shall not be entitled to
receive such power and energy from any particular plants. The Authority shall have
the right to furnish the power and energy from any source available to it.

(2) Delivery of power and energy to Customer will be made over the
facilities of the utility company in whose franchise territory Customer's facilities are
located pursuant to contractual arrangements entered into by such company and the
Authority.

Customer further understands and agrees that this Application and the
furnishing of electric services hereunder are subject in all respects to the provisions of
Authority's Rules and Regulations for Power Service and to the applicable Tariff, both
as they may be later amended from time to time.
Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act, this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

HUDSON RIVER PARK TRUST

By: [Signature]
Title: President
Date: April 13, 2004
(Attest)
By: [Signature]

POWER AUTHORITY OF THE STATE OF NEW YORK

By: [Signature]
Chairman
Date: 4/27/04
(Attest)
By: [Signature]
Executive Vice President, Secretary and General Counsel
ACKNOWLEDGEMENTS

State of New York  ) ss:
County of _________ )

On this 27th day of APRIL, 2004 before me personally came Louis P. Ciminelli, to me known, who being by me duly sworn, did depose and say that he resides in Buffalo, New York, and that he is Chairman of Power Authority of the State of New York; that he executed the above instrument; that he knows the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that he signed his name thereto by like order.

Sworn to before me this
27th day of April, 2004

LORNA JOHNSON
Notary Public

LORNA JOHNSON
NOTARY PUBLIC, State of New York
No. 41-4861652
Qualified in Queens County

State of New York  ) ss:
County of _________ )

On this 27th day of APRIL, 2004 before me personally came David E. Blabay, to me known, who being by me duly sworn, did depose and say that he resides in Albany, New York, and that he is Executive Vice President, Secretary and General Counsel of Power Authority of the State of New York; that he executed the above instrument; that he knows the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that he signed his name thereto by like order.

Sworn to before me this
27th day of April, 2004

LORNA JOHNSON
Notary Public

LORNA JOHNSON
NOTARY PUBLIC, State of New York
No. 41-4861652
Qualified in Queens County
CORPORATE ACKNOWLEDGEMENT

STATE OF NEW YORK  )
COUNTY OF NEW YORK  ) ss.

On this 14th day of April, 2004, before me personally came Connie Fishman and Noreen Doyle, each of whom is to me known as the President and Executive Vice President, respectively, of Hudson River Park Trust, and who each being duly sworn, did depose and state that she executed the foregoing instrument, and acknowledged that she executed same in her official capacity and for the purpose mention therein.

[Signature]
Notary Public, State of New York
No. 0254984247
Qualified in Nassau County
Commission Expires July 15, 2007
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
### SCHEDULE B

**FIXED COSTS ALLOCATION**

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>D9 kW</th>
<th>Allocation %</th>
<th>2015-2016 Av.</th>
<th>500 MW Fixed Costs</th>
<th>NYPA’s LSE Fixed Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Annual Fixed Costs</td>
<td>Monthly Fixed Costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Allocated Share</td>
<td>Allocated Share</td>
<td>Allocated Share</td>
</tr>
</tbody>
</table>

| 1    | Group 1     | 103,352 | 5.9%          | $6,189,960 | $515,830 | $5,718,344 | $471,616 |
| 2    | Group 2     | 438,187 | 25.0%         | 26,243,910 | 2,186,993 | 24,244,374 | 1,999,536 |
| 3    | Group 3     | 518,832 | 46.7%         | 49,041,510 | 4,086,793 | 45,305,014 | 3,736,496 |
| 4    | Group 4     | 81,886  | 4.7%          | 4,904,340  | 408,695  | 4,530,676  | 373,664  |
| 5    | Group 5     | 238,064 | 13.6%         | 14,258,160 | 1,188,180 | 13,171,824 | 1,086,336 |
| 6    | Group 6     | 53,306  | 3.0%          | 3,192,630  | 266,053  | 2,949,382  | 243,248  |
| 7    | Group 6 A   | 10,000  | 18.8%         | 598,920    | 49,910   | 553,288    | 45,632   |
| 8    | Group 6 B   | 5,000   | 9.4%          | 299,460    | 24,955   | 276,644    | 22,816   |
| 9    | Group 6 C   | 14,000  | 26.3%         | 838,488    | 69,874   | 774,604    | 63,885   |
| 10   | Group 6 D   | 24,306  | 45.6%         | 1,455,761  | 121,313  | 1,344,846  | 110,915  |
| 11   | Group 7     | 19,527  | 1.1%          | 1,169,490  | 97,458   | 1,080,386  | 89,104   |
| 12   | Grand Total | 1,753,155 | 100.0%      | $105,000,000 | $8,750,000 | $97,000,000 | $8,000,000 |

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td></td>
<td>$22,600</td>
<td></td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which HRPT’s share is 2.86 percent, may be passed through to HRPT on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
### SCHEDULE E

**LOAD BUS NAMES & INCLUDED CUSTOMERS**

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone J</td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESDC</td>
</tr>
</tbody>
</table>
### SCHEDULE F

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

**Figure 1A – NYC Customer Breakout – March 2017 Actuals**

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$30,969,731</td>
<td></td>
</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$29,601,651</td>
<td></td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(4) Zone A CFD'S</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(5) Zone D (Lawrence Bus)</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6) Zone D CFD</td>
<td>$1,560,518</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7) Zone G (Ashokan Bus)</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(8) Marginal Losses</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9) Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(10) Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(11) Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(12) Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(13) NTAC</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(14) Transco Facilities Charge</td>
<td>$334,013</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(15) MSSCFC Expense</td>
<td>$15,012</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(16) Purchase Power - Other</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(17) Clean Energy Standard Purchases</td>
<td>$15,012</td>
<td>Rate based</td>
</tr>
<tr>
<td>(18) Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(19) NYC, including 500 MW offset</td>
<td>$868,484</td>
<td>Pass-through/9%</td>
</tr>
<tr>
<td>(20) ROS</td>
<td>$12,037</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(21) LHV</td>
<td>$681,905</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(22) Demand Curve</td>
<td>$596,533</td>
<td></td>
</tr>
<tr>
<td>(23) NYC (In-City &amp; In-City ROS)</td>
<td>$137,781</td>
<td></td>
</tr>
<tr>
<td>(24) ROS</td>
<td>$12,037</td>
<td></td>
</tr>
<tr>
<td>(25) LHV</td>
<td>$446,715</td>
<td></td>
</tr>
</tbody>
</table>

*Avg. 2015-2016 D9% Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021+*

**Avg. 2014-2015 E1 % Allocation for the term of the Agreement**
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
### SCHEDULE H

500 MW Plant Annual Debt Service Payments\(^1\)

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

**Notes**

\(^1\) Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City

Governmental Key Customers

Service Tariff No. 130

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period

Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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    C. Defined Billing Terms of Production and Delivery ....................... 7

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<th>Description</th>
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</tr>
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<tr>
<td></td>
<td>1. Provision of Production Service</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>2. Provision of Delivery Service</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>3. Temporary Service</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>4. Initiation, Continuance, and Termination of Service</td>
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<tr>
<td></td>
<td>5. Transfer of Service</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>6. Redistribution of Electric Service</td>
<td>27</td>
</tr>
<tr>
<td>F.</td>
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<td>27</td>
</tr>
<tr>
<td>G.</td>
<td>Billing Period</td>
<td>27</td>
</tr>
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<td>H.</td>
<td>Payment</td>
<td>27</td>
</tr>
<tr>
<td>I.</td>
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<td>27</td>
</tr>
<tr>
<td>J.</td>
<td>Customer Information for Supply Planning</td>
<td>28</td>
</tr>
<tr>
<td>K.</td>
<td>Bill Proration</td>
<td>28</td>
</tr>
</tbody>
</table>

VI. Special Provisions Applicable to Production

<table>
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<tr>
<th>Section</th>
<th>Description</th>
<th>Leaf No.</th>
</tr>
</thead>
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<tr>
<td>A.</td>
<td>Energy Charge Adjustment</td>
<td>29</td>
</tr>
<tr>
<td>B.</td>
<td>Effective Date of Rates and Charges</td>
<td>29</td>
</tr>
<tr>
<td>C.</td>
<td>NYISO-Related Charges</td>
<td>29</td>
</tr>
<tr>
<td>D.</td>
<td>Distribution Losses</td>
<td>30</td>
</tr>
<tr>
<td>E.</td>
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<td>30</td>
</tr>
<tr>
<td>F.</td>
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<td>30</td>
</tr>
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</table>

VII. Special Provisions Applicable to Delivery Service

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Rates and Charges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Gross Receipt Tax Surcharge</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>2. Delivery Revenue Surcharge</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>3. Revenue Decoupling Mechanism Adjustment</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>4. 18-a Assessment Surcharge</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>5. Smart Grid Surcharge</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>6. Reactive Power Demand Charge</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>7. Other Charges and Adjustments</td>
<td>33</td>
</tr>
</tbody>
</table>
**TABLE OF CONTENTS (continued)**

<table>
<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule...........................................</td>
<td>37</td>
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<tr>
<td>C. Adjustment of Charges..........................................................</td>
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</tr>
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</tr>
<tr>
<td>E. Minimum Bill............................................................................</td>
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</tr>
<tr>
<td>F. Seasonal Proration...............................................................</td>
<td>38</td>
</tr>
<tr>
<td>G. Billing Period Proration........................................................</td>
<td>38</td>
</tr>
<tr>
<td>H. Delivery Service Rate True-up Mechanism.............................</td>
<td>38</td>
</tr>
<tr>
<td>I. Delivery Rate Development.....................................................</td>
<td>39</td>
</tr>
<tr>
<td>J. Rights.....................................................................................</td>
<td>39</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability

To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:

- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCGKCRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
Calculation of the Bill - Continued

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.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th>Energy ($/kWh)</th>
<th>Summer</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCTION</td>
<td>5.553</td>
<td>5.208</td>
</tr>
<tr>
<td>DELIVERY</td>
<td>19.730</td>
<td>19.730</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td>Demand ($/kW)</td>
<td></td>
<td>$6.35</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>4.341</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.003</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

(SC 65 – Continued on Leaf No. 11)
Service Classification No. 65 (continued)

Electric Traction Systems and Platform Lighting

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The Special Provision 2 (P.S.C. No. 12) and General Provisions -Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td>Demand ($/kW)</td>
<td>$6.83</td>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
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<tr>
<td>Summer</td>
<td>4.399</td>
<td></td>
</tr>
<tr>
<td>Winter</td>
<td>4.055</td>
<td></td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td>Demand ($/kW)</td>
<td>Summer</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$6.69</td>
<td>7.14</td>
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<tr>
<td>Primary</td>
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<td>19.74</td>
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<tr>
<td>Secondary</td>
<td></td>
<td>21.68</td>
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<tr>
<td>Winter</td>
<td>$6.69</td>
<td>11.47</td>
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<tr>
<td>Primary</td>
<td></td>
<td>6.85</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td>Summer</td>
<td>5.265</td>
</tr>
<tr>
<td>Winter</td>
<td>4.464</td>
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<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

Standby Service:

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

Net Metering:

- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

Total Load: The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

Production Contract Standby Demand: The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
As-Used Daily Standby Demand: The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

Excess Energy: Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

D. Rules of Service

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

E. Determination of Production Standby Demand Charges

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
<table>
<thead>
<tr>
<th>Service Classification 65 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.191</td>
<td>$0.180</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.203</td>
<td>$0.192</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 69 Conventional</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.205</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.218</td>
<td>$0.202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Classification 69 Time of Day</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.201</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
<td>$0.202</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy**: The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering**: The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges**: Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering**: A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account**: NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

**C. Requirements for Service**:

1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

**D. Metering**:

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

**E. Remote Net Metering**:

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.
   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.
   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed during that billing cycle until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process
   The following procedures shall apply:
   (a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.
   (b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.
   (c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure
   NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:
   (a) the first cycle date on which a reading is taken following the requested turn off date, or
   (b) the date of a special reading, which a Customer may request for a charge.
   After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes
   NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 Customers without payment of compensation beyond the standard rate for Delivery Service provided for that class of Authority customers; and
3. Temporary Service

Temporary service, if provided to prospective customers that may become Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:

a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.

b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.

c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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.
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| 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. Redistributio[n 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 applicable statutes, laws, rules or regulations.

F. Billing Demand  

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment (“ECA”). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \text{ rate} (\$/kWh) = \frac{ECA \text{ balance}}{\text{forecasted energy (kWh)}}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. Gross Receipt Tax (GRT) Surcharge

   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. Delivery Revenue Surcharge

   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   Statement

   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. Revenue Decoupling Mechanism (“RDM”) Adjustment

   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   Mechanism

   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. **Smart Grid Surcharge**
   
   As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:
   
   a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.
   
   b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and
   
   c) An adjustment that reconciles prior periods

   The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. **Reactive Power Demand Charge**
   
   The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. **Other Charges and Adjustments**
   
   In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

   a. **Charge for Demand Management Programs**

   The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

   The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. **Charge for PJM OATT Rates and Charges**

The charge for PJM OATT rates and charges ("PJM OATT Charge") will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility's PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas ("PSEG") wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. **Charges Associated with the Brooklyn/Queens Demand Management Program**

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program ("BQDMP"), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT (“Agreement”) dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended (“NYPA”), Roosevelt Island Operating Corporation (“RIOC”). NYPA and Roosevelt Island Operating Corporation are referred to herein collectively, as the “Parties” and individually, as a “Party”.

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and Roosevelt Island Operating Corporation dated October 8, 1986 (“Application for Electric Service”) and attached hereto as Exhibit B, NYPA supplies electricity to the RIOC;

WHEREAS, effective as of October 31, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the “2005 Agreement”); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for RIOC, and RIOC agrees to remain a customer of NYPA subject to the terms set forth herein. RIOC will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. (“Con Edison”) via Con Edison's NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the RIOC, NYPA will only charge the RIOC for costs incurred by NYPA to provide power to the RIOC, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, RIOC shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) RIOC agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) RIOC agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the RIOC’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPA will place the Battery Park City Authority, the Convention Center Operating Corporation, the Empire State Development Corporation, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

ARTICLE III
TERM AND TERMINATION

3.1. **Term.** This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. **Termination.** This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) RIOC may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) RIOC may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that RIOC will pay any and all outstanding Financial Obligations owed by RIOC under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.** Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYPA’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which RIOC represents 4.12 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which RIOC represents 4.12 percent of that share. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYPA to the RIOC, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the RIOC of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the RIOC without its express written consent.

4.2. **Billing of Fixed Costs.** On an annual basis, RIOC’s share of the Fixed Costs shall be apportioned equally over a twelve (12) month period using the D9 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the RIOC bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills.
4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by RIOC, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the RIOC separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the RIOC, and attributable solely to the RIOC. An illustrative example of Variable Costs is annexed hereto as Schedule F. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to RIOC without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which RIOC’s share is 4.12 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which RIOC’s share is 4.84 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent, of which RIOC’s share is 4.12 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To
the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the RIOC as they are received by NYPA, without interest.

**ARTICLE V**

**ADDITIONAL COVENANTS**

5.1. **Rate Design Study and New Tariffs.** By no later than July 1 of each year during the Term of this Agreement, RIOC shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the RIOC with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. **Pro-Rata Share of UCAP.** The NYC Governmental Customers will receive a prorated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. **Debt Service.** The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. **AEII Plant Agreement and Hydroelectric Facilities.**

(a) The Astoria II (“AEII”) plant will continue to support the supply of energy and capacity to the RIOC. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. **Purchase of Renewable Market Products.** The Parties will pursue short-term and long-term renewable options for the benefit of the RIOC. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the RIOC. Any purchases of renewable market products (e.g., energy,
capacity or ancillary services) by the RIOC, or by NYPA on behalf of the RIOC, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the RIOC will pay any and all Financial Obligations owed by the RIOC arising from such renewable market purchases. Purchases by NYPA for the RIOC pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) RIOC will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to RIOC’s proposed date for deliveries of such products to commence, and RIOC and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. RIOC shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to RIOC in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the RIOC paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, RIOC shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, RIOC may authorize NYPA to purchase a percentage of RIOC’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. RIOC purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the RIOC via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment (“ECA”) mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, RIOC may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer (“Comparable Customer”). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If RIOC exercises this option for such other terms and conditions, RIOC shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
ARTICLE VI
MISCELLANEOUS

6.1. 2005 Agreement

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. Approvals. This Agreement shall not be valid or enforceable without the approval of RIOC’s Board of Directors and NYPA’s Board of Trustees.

6.3. Notices. All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York
123 Main Street
Mail Stop 10
White Plains, NY 10601
Attn: Vice President, Economic Development

With copies to (at the same address):
Principal Attorney

If to the RIOC, to:

Roosevelt Island Operating Corporation
of the State of New York
591 Main Street
Roosevelt Island, NY 10044
Attn: President/Chief Executive Officer

With copies to (at the same address):
General Counsel

6.4. Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. Recitals. The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. Amendments and Waiver. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. Entire Agreement. This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. Further Assurances. The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. Assignment; Binding Effect. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if
such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against RIOC arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Jill C. Anderson
Title: President/CEO

ROOSEVELT ISLAND OPERATING CORPORATION

By: __________________________
Name: Susan G. Rosenthal
Title: President/CEO
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

“E1 Allocator” means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at RIOC’s direction, for which payment RIOC is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to RIOC, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U. S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the RIOC pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the RIOC’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
POWER AUTHORITY OF THE STATE OF NEW YORK
10 COLUMBUS CIRCLE, NEW YORK, N.Y. 10019

APPLICATION FOR ELECTRIC SERVICE

ROOSEVELT ISLAND OPERATING CORPORATION (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Priority in the acceptance of application for the service requested in this application shall be given to the Metropolitan Transportation Authority, its subsidiary corporations, the New York City Transit Authority, the Port Authority of New York and New Jersey, the City of New York, the State of New York, the United States, other public
corporations within the metropolitan area of the City of New York within the State of New York and then to other exempt persons as defined in 26 U.S.C. 103 (c)(3), located in New York City and Westchester County to the extent feasible in accordance with Section 1005 of the Power Authority Act.

Priority with respect to the firm power and energy not sold to the entities listed above shall be afforded to electric companies serving New York City and Westchester County also in accordance with Section 1005 of the Power Authority Act.

(3) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customers' facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the furnishing of electric services hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Service Tariff, both as they may be later amended from time to time.
Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer

By

Title

Date

(Attest)

Accepted:

Power Authority of the State of New York

By

Chairman

Date

(Attest)

By

Secretary

3765W
ACKNOWLEDGEMENTS

State of New York ss:

County of New York

On this 8th day of October, 1986 before me personally came Richard M. Flynn and Vincent J. Tobin, to me known, who each being by me duly sworn, did severally depose and say that they both reside in New York City, and that they are, respectively, Chairman and Secretary of Power Authority of the State of New York, a corporation described in and which executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Notary Public in the State of New York
Residing in the County of New York
My Commission expires March 30, 1986

(Notarial Seal)

State of New York ss:

County of New York

On this 26th day of September, 1986 before me personally came Rosina K. Abramson, to me known, who being duly sworn, did depose and say that reside in 210 West 90th St., N.Y., N.Y. 10024 and is Chief Operating Officer and Executive Director of Roosevelt Island Operating Corporation, the corporation described in and which executed the foregoing instrument; that they know the seal of said corporation that one of the seals affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that they signed their names thereto by like order

Debra A. James
Notary Public
No. 4634000
New York County
Commission Exp. March 30, 1987

(Notarial Seal)
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
## SCHEDULE B

**FIXED COSTS ALLOCATION**

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

### Scenario 1: Initial Allocation of 500 MW Plant and Fixed Charges. Group 6 is further reallocated to individual customers.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>$6,189,960 $</td>
<td>515,830 $</td>
<td>5,718,344 $</td>
<td>471,616</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>$26,243,910 $</td>
<td>2,186,993 $</td>
<td>24,244,374 $</td>
<td>1,999,536</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Group 3</td>
<td>518,832</td>
<td>46.7%</td>
<td>$49,041,510 $</td>
<td>4,086,793 $</td>
<td>45,305,014 $</td>
<td>3,736,496</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Group 4</td>
<td>81,886</td>
<td>4.7%</td>
<td>$4,904,340 $</td>
<td>408,695 $</td>
<td>4,530,676 $</td>
<td>373,664</td>
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</tr>
<tr>
<td>5</td>
<td>Group 5</td>
<td>238,064</td>
<td>13.6%</td>
<td>$14,258,160 $</td>
<td>1,188,180 $</td>
<td>13,171,824 $</td>
<td>1,086,336</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Group 6</td>
<td>53,306</td>
<td>3.0%</td>
<td>$3,192,630 $</td>
<td>266,053 $</td>
<td>2,949,382 $</td>
<td>243,248</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Group 6 A</td>
<td>10,000</td>
<td>18.8%</td>
<td>$598,920 $</td>
<td>49,910 $</td>
<td>553,288 $</td>
<td>45,632</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Group 6 B</td>
<td>5,000</td>
<td>9.4%</td>
<td>$299,460 $</td>
<td>24,955 $</td>
<td>276,644 $</td>
<td>22,816</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Group 6 C</td>
<td>14,000</td>
<td>26.3%</td>
<td>$838,488 $</td>
<td>69,874 $</td>
<td>774,604 $</td>
<td>63,885</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Group 6 D</td>
<td>24,306</td>
<td>45.6%</td>
<td>$1,455,761 $</td>
<td>121,313 $</td>
<td>1,344,846 $</td>
<td>110,915</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Group 7</td>
<td>19,527</td>
<td>1.1%</td>
<td>$1,169,490 $</td>
<td>97,458 $</td>
<td>1,080,386 $</td>
<td>89,104</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>$10,500,000 $</td>
<td>8,750,000 $</td>
<td>97,000,000 $</td>
<td>8,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td></td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td></td>
<td></td>
<td>$22,600</td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,836,544</td>
</tr>
</tbody>
</table>
SCHEDULE D

EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which RIOC’s share is 4.12 percent, may be passed through to RIOC on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
<tr>
<td>Load Bus Name</td>
<td>Customers Included on Load Bus</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Zone J</td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESDC</td>
</tr>
</tbody>
</table>
### SCHEDULE F

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>Description</th>
<th>March-17</th>
<th>Allocation Method</th>
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<tbody>
<tr>
<td>(1) Variable Cost</td>
<td>$30,069,731</td>
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</tr>
<tr>
<td>(2) Purchase Power - Energy</td>
<td>$29,601,651</td>
<td></td>
</tr>
<tr>
<td>(3) Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(4) Zone A CFD's</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(5) Zone D CFD</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6) Zone D CFD</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7) Zone G (Ashokan Bus)</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(8) Zone G CFD</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9) Marginal Losses</td>
<td>$1,560,518</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(10) Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(11) Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(12) Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(13) Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(14) NTAC</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(15) Transco Facilities Charge</td>
<td>$334,613</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(16) MSCFCT Expense</td>
<td>NA</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(17) Purchase Power - Other</td>
<td>$0</td>
<td>Rate based</td>
</tr>
<tr>
<td>(18) Clean Energy Standard Purchases</td>
<td>NA</td>
<td>Rate based</td>
</tr>
<tr>
<td>(19) Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(20) NYC, including 500 MW offset</td>
<td>$868,484</td>
<td>Pass-through/D9*</td>
</tr>
<tr>
<td>(21) ROS</td>
<td>$109,582</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(22) LHV</td>
<td>$681,905</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(23) Demand Curve</td>
<td>$596,533</td>
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</tr>
<tr>
<td>(24) NYC (In-City &amp; In-City ROS)</td>
<td>$137,781</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(25) ROS</td>
<td>$12,097</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(26) LHV</td>
<td>$446,715</td>
<td>Cap Tag</td>
</tr>
</tbody>
</table>

*Avg. 2015-2016 D9 % Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021*

**Avg. 2014-2015 E1 % Allocation for the term of the Agreement
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
# SCHEDULE H

500 MW Plant Annual Debt Service Payments

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,999</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

 Notes

1 Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City
Governmental Key Customers

Service Tariff No. 130

Date of Issue: January 1, 2018
Date Effective: January 2018 Bill Period
Issued by Keith T. Hayes, Vice President Economic Development
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
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</tr>
<tr>
<td>5</td>
<td>II. Frequently used Abbreviations and Terms</td>
</tr>
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<td>III. Calculation of the Bill</td>
</tr>
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</tr>
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<td>7</td>
<td>B. Bill Computation</td>
</tr>
<tr>
<td>7</td>
<td>C. Defined Billing Terms of Production and Delivery</td>
</tr>
<tr>
<td>7</td>
<td>IV. Rates and Charges</td>
</tr>
<tr>
<td>9</td>
<td>Service Classification No. 62</td>
</tr>
<tr>
<td>10</td>
<td>Service Classification No. 65</td>
</tr>
<tr>
<td>12</td>
<td>Service Classification No. 69</td>
</tr>
<tr>
<td>15</td>
<td>RIDER A</td>
</tr>
<tr>
<td>19</td>
<td>RIDER B</td>
</tr>
<tr>
<td>23</td>
<td>RIDER C</td>
</tr>
<tr>
<td>24</td>
<td>V. General Provisions</td>
</tr>
<tr>
<td>24</td>
<td>A. Rules and Regulations</td>
</tr>
<tr>
<td>24</td>
<td>B. Character of Service</td>
</tr>
<tr>
<td>24</td>
<td>C. Power Factor</td>
</tr>
<tr>
<td>24</td>
<td>D. Adjustments in Charges</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Provision</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
<td>37</td>
</tr>
<tr>
<td>C. Adjustment of Charges</td>
<td>37</td>
</tr>
<tr>
<td>D. Proration of Monthly Rates and Charges</td>
<td>37</td>
</tr>
<tr>
<td>E. Minimum Bill</td>
<td>38</td>
</tr>
<tr>
<td>F. Seasonal Proration</td>
<td>38</td>
</tr>
<tr>
<td>G. Billing Period Proration</td>
<td>38</td>
</tr>
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<td>38</td>
</tr>
<tr>
<td>I. Delivery Rate Development</td>
<td>39</td>
</tr>
<tr>
<td>J. Rights</td>
<td>39</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability
To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

Abbreviations:
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

Account(s): A metered or billed location based on Customer billing characteristics.

Agreement: An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

Authority: New York Power Authority, an alternative name for the Power Authority of the State of New York.

Customer: The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

Delivery Service: The service that Authority procures from Utility on behalf of Authority's governmental customers.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Fixed Costs: This term has the meaning provided for in the Agreement.
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCGKCRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>€/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>€/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
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<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>€/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
Calculation of the Bill - Continued

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.
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.

**CONVENTIONAL**

<table>
<thead>
<tr>
<th>Energy (¢/kWh)</th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer</td>
<td>5.553</td>
<td>19.730</td>
</tr>
<tr>
<td>Winter</td>
<td>5.208</td>
<td>19.730</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
# 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.

## CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td></td>
<td>$6.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Summer</td>
<td>4.341</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.003</td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

**Time Period Conventional:**
- All hours, all days

**Season:**
- Summer – June through September
- Winter – October through May
Service Classification No. 65 (continued)
Electric Traction Systems and Platform Lighting

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The Special Provision 2 (P.S.C. No. 12) and General Provisions -Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
## 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.

### CONVENTIONAL

<table>
<thead>
<tr>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
<td>$6.83</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>4.399</td>
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<tr>
<td>Winter</td>
<td>4.055</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td>Billable reactive power demand 1.97</td>
</tr>
</tbody>
</table>

### TOD

<table>
<thead>
<tr>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand ($/kW)</td>
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</tr>
<tr>
<td>Summer</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
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<td>Primary</td>
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<td>Secondary</td>
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<td>Winter</td>
<td></td>
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<tr>
<td>Primary</td>
<td>$6.69</td>
</tr>
<tr>
<td>Secondary</td>
<td>6.85</td>
</tr>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>5.265</td>
</tr>
<tr>
<td>Winter</td>
<td>4.464</td>
</tr>
<tr>
<td>Reactive Power ($/kVar)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- Demand:
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours
- Energy Charge:
  - On-Peak: 8:00 a.m. to 10 p.m. weekdays (including holidays)
  - Off-Peak: All other times

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
Rider A – Standby Service

A. Applicability

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

B. Type of Service

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

C. Definitions:

**Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

**Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
As-Used Daily Standby Demand: The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

Excess Energy: Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

D. Rules of Service

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

E. Determination of Production Standby Demand Charges

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
### Service Classification 65 Conventional

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.191</td>
<td>$0.180</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.203</td>
<td>$0.192</td>
</tr>
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</table>

### Service Classification 69 Conventional

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.205</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.218</td>
<td>$0.202</td>
</tr>
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</table>

### Service Classification 69 Time of Day

<table>
<thead>
<tr>
<th>Service</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.201</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
<td>$0.202</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:

   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;

   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;

   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;

   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy**: The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account**: NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy:** The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering:** The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges:** Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering:** A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account:** NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

**C. Requirements for Service:**

1. Service under this Rider is limited to Customers who meet the SIR requirements.
2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.
3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

**D. Metering:**

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

**E. Remote Net Metering:**

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:
   (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.
   (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.
   (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account bills on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

   The following procedures shall apply:

   (a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

   (b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

   (c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

   NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

   (a) the first cycle date on which a reading is taken following the requested turn off date, or

   (b) the date of a special reading, which a Customer may request for a charge.

   After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

   NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:

a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.

b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.

c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment ("ECA"). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
ECA \text{ rate} \ (\$/kWh) = \frac{ECA \ balance}{forecasted \ energy \ (kWh)}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges ("TUC") which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. **Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. **Gross Receipt Tax (GRT) Surcharge**
   
   The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. **Delivery Revenue Surcharge**

   The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

   The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

   **Statement**

   The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. **Revenue Decoupling Mechanism (“RDM”) Adjustment**

   The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

   **Mechanism**

   Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later.

   Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base Revenue.
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. **18-a Assessment Surcharge**

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. **Smart Grid Surcharge**

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. **Reactive Power Demand Charge**

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. **Other Charges and Adjustments**

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. **Charge for Demand Management Programs**

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

b. Charge for PJM OATT Rates and Charges

The charge for PJM OATT rates and charges (“PJM OATT Charge”) will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas (“PSEG”) wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. Charges Associated with the Brooklyn/Queens Demand Management Program

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program (“BQDMP”), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. **Charges to Recover Standby Performance Credits**

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. **Charge to Recover Targeted Demand Management Program and Demonstration Projects**

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. **Contribution to Earning Adjustment Mechanisms (“EAMs”)**

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. **Charges for Cost Studies**

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. **Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. **Charges for Recovery of Bill Credit Export-only Customers**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. **Clean Energy Standard (CES) Delivery Surcharges**

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

k. **Value of Distributed Energy Resources (VDER) Costs**

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT

This SUPPLEMENTAL LONG TERM POWER SUPPLY AGREEMENT ("Agreement") dated as of _____________, 2017, by and between the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Laws of 1931, as amended ("NYPA"), United Nations Development Corporation ("UNDC"). NYPA and United Nations Development Corporation are referred to herein collectively, as the "Parties" and individually, as a "Party".

RECITALS

WHEREAS, pursuant to the Application for Electric Service between NYPA and United Nations Development Corporation dated December 6, 1994 ("Application for Electric Service") and attached hereto as Exhibit B, NYPA supplies electricity to the UNDC;

WHEREAS, effective as of October 18, 2005, the Parties entered into an agreement to supplement the Application for Electric Service (the "2005 Agreement"); and

WHEREAS, the Parties wish to incorporate certain supplemental terms and conditions to the Application for Electric Service and enter into this Agreement which supersedes and replaces the 2005 Agreement.

NOW, THEREFORE, in consideration of the agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. Definitions. Capitalized terms used in this Agreement not otherwise defined herein have the respective meanings set forth in Exhibit A, which is incorporated herein as if fully stated.

ARTICLE II
ELECTRIC SERVICE

2.1. Provision of Services. NYPA agrees that it will continue to provide electricity for UNDC, and UNDC agrees to remain a customer of NYPA subject to the terms set forth herein. UNDC will take delivery service of electricity from Consolidated Edison Corporation of New York, Inc. ("Con Edison") via Con Edison’s NYPA Tariff, or its successor. Unless subsequently agreed in writing between NYPA and the UNDC, NYPA will only charge the UNDC for costs incurred by NYPA to provide power to the UNDC, as such costs are specifically identified in this Agreement.

2.2. Additional Service Conditions. The Parties agree to the following additional conditions in relation to the provision of service:
(a) Subject to the specific provisions hereof, UNDC shall be a full requirements electricity customer of NYPA during the Term, as defined in Article III;

(b) UNDC agrees to pay for its share of the Fixed Costs and Variable Costs offset by revenues of NYPA’s 500 Megawatt Combined Cycle Power Plant (“500 MW Plant”);

(c) UNDC agrees to pay for its share of NYPA’s LSE Cost as set forth in Section 4.1;

(d) During the Term of this Agreement, and subject to the terms and conditions set forth herein, NYPA will continue to provide all of the UNDC’s In-City, Rest-of-State, and other energy and capacity needs in New York State, as well as the services set forth in Schedule A; and

(e) NYPA will place the Battery Park City Authority, the Convention Center Operating Corporation, the Empire State Development Corporation, the Hudson River Park Trust, the Roosevelt Island Operating Corporation, and the United Nations Development Corporation (each an “NYC Governmental Key Customer”, and collectively the “NYC Governmental Key Customers”), on one load bus.

ARTICLE III
TERM AND TERMINATION

3.1. Term. This Agreement shall be effective as of January 1, 2018 (“Effective Date”). The term of this Agreement shall commence on the Effective Date, subject to all authorizations required under Section 6.2, and shall remain in full force and effect for a period of ten (10) years, until December 31, 2027 (the “Term”).

3.2. Termination. This Agreement shall terminate before the expiration of the Term in accordance with the following:

(a) UNDC may terminate this Agreement at any time during the Term, provided that (i) it has fully paid any outstanding Financial Obligations prior to the termination date, and (ii) provides NYPA at least twelve (12) months prior written notification;

(b) UNDC may terminate its rights as to this Agreement with a termination date effective December 31, 2022, by giving the other Party at least six (6) months prior written notification; and

(c) The Parties agree that UNDC will pay any and all outstanding Financial Obligations owed by UNDC under this Section 3.2 with interest, at the then-
current One-Year U. S. Treasury Bill Interest Rate, by the end of the calendar year following the calendar year in which the termination occurred.

3.3. **Effect of Termination.** In the event of a termination of this Agreement, whether as a result of an expiration of its Term or the exercise of either Party of its right to terminate, a full accounting shall be made between the Parties and all accounts settled between them in accordance with Section 3.2(c), or as agreed by the Parties in writing. In no event shall any termination affect the rights and obligations of the Parties arising prior to the date of such termination.

**ARTICLE IV**

**FIXED, VARIABLE AND OTHER COSTS**

4.1. **Fixed Costs.** Fixed Costs shall be fixed at an annual amount of one hundred and five million U.S. Dollars ($105,000,000) for the first five (5) years of this Agreement, where ninety-seven million U.S. dollars ($97,000,000) are the costs associated with the 500 MW Plant, and eight million U.S. dollars ($8,000,000) is NYPA’s LSE Cost. The Allocated Share of total annual Fixed Costs will be allocated to the NYC Governmental Key Customers based on the average of the calendar years 2015 and 2016 D9 Allocators. The Allocated Share of Fixed Costs for the NYC Governmental Key Customers is 1.095 percent, of which UNDC represents 30.21 percent of that Allocated Share, and will remain fixed in calendar years 2018 through 2020. In calendar year 2020, the Allocated Shares will be revised for use in calendar years 2021 through 2022 using the average of the D9 Allocators in calendar years 2018 and 2019. NYPA’s LSE Cost is included in Fixed Costs and fixed at eight million U.S. Dollars ($8,000,000) annually. NYPA’s LSE Cost will remain the same for each of the five (5) years from the Effective Date, and the NYC Governmental Key Customers will continue to be responsible for its Allocated Share (1.095 percent), of which UNDC represents 30.21 percent of that share. Schedule B, attached hereto, contains illustrative descriptions of the Fixed Cost allocation. Fixed Costs include all services currently provided by NYPA to the UNDC, as specifically set forth in Schedule A, and any other services required by mutual agreement, or as otherwise set forth in the Agreement, including the provision by NYPA to the UNDC of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. The Fixed Costs explicitly exclude the costs described in Sections 4.3 and 4.6 as well as the items listed in Schedule C and Schedule D, annexed hereto. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent through December 31, 2020, and subject to change thereafter, as defined herein. No Fixed Costs other than those referenced explicitly in this Agreement shall be billed to the UNDC without its express written consent.

4.2. **Billing of Fixed Costs.** On an annual basis, UNDC’s share of the Fixed Costs shall be apportioned equally over a twelve (12) month period using the D9 Allocator. Monthly charges will further be apportioned to account-level detail based on the prior billing period’s energy usage. The annual amount will be represented as a fixed monthly charge on the UNDC bill. The Fixed Cost allocation to the account level will not be subject to any future billing adjustments related to energy re-bills.
4.3. **Additional Reports Not Covered Under Fixed Costs.** Upon written request by UNDC, NYPA will perform additional reports, studies or analyses not contemplated under Fixed Costs. To the extent that NYPA can demonstrate that such reports, studies or analyses impose incremental costs, NYPA may charge the UNDC separately for such incremental costs.

4.4. **Variable Costs and Revenues.** Variable Costs and revenues shall continue to be passed-through, at cost, based on the NYC Governmental Key Customers’ energy or capacity usage assessed by the NYISO or the appropriate allocators, where applicable, as shown in Schedule F, herein. The allocated shares will remain fixed for calendar years 2018-2020 and will be revised for 2021 and 2022 when the Fixed Cost Allocated Shares are revised pursuant to Section 4.1. Any purchases of energy, capacity, or ancillary services described in Sections 5.5 and 5.6 shall be considered Variable Costs authorized by the UNDC, and attributable solely to the UNDC. An illustrative example of Variable Costs is annexed hereto as Schedule F. Variable Costs incurred by NYC Governmental Key Customers will be recovered through energy rates and reconciled through the monthly ECA for the NYC Governmental Key Customers. No Variable Costs other than those referenced explicitly in this Agreement shall be billed to UNDC without its express written consent.

4.5. **Renegotiation and Allocation of Fixed and Variable Costs.** No later than January 1, 2022, NYPA and the NYC Governmental Customers shall initiate a six (6) month process to renegotiate and reset the Fixed Costs and the NYC Governmental Key Customers’ allocation or portion of Variable Costs for years six (6) to ten (10) of this Agreement. If this process is unsuccessful, either Party has the option to terminate the Agreement pursuant to Section 3.2(b).

4.6. **Transitional Costs.** Transitional Costs consist of certain costs incurred in calendar years 2016, 2017, and 2018, as well as the NYC Governmental Key Customers’ final contributions associated with the decommissioning of the Poletti and Kensico plants, as fully set forth and as specified and quantified in Schedule C annexed hereto. The NYC Governmental Key Customers shall pay NYPA the NYC Governmental Key Customers’ share of such Transitional Costs in equal monthly payments over a three (3) year period, starting in January 2018. The NYC Governmental Key Customers’ share of these costs is 1.095 percent, of which UNDC’s share is 30.21 percent, with the exception of “Asset Retirement - Kensico (2018-2022)”, where the NYC Governmental Key Customers’ share is 1.007 percent, and of which UNDC’s share is 24.67 percent.

4.7. **Delivery Surcharge Exemptions and Costs for Third Party Services.** Delivery surcharge exemptions applicable to NYC Governmental Customers will continue as is, unless and until modified by the New York State Public Service Commission (“Commission”), provided that, as part of the services covered by the Fixed Costs, NYPA will actively seek to protect such exemptions in proceedings before the Commission consistent with past practices. The NYC Governmental Key Customers’ Allocated Share of any costs identified in Schedule D is 1.095 percent, of which UNDC’s share is 30.21 percent, through December 31, 2020, and is subject to change thereafter pursuant to Section 4.1.

4.8. **Zero Emission Credits and Con Edison Charges.** Applicable Zero Emission Credits and Con Edison delivery charges will continue to be passed-through at cost, without mark-up. To
the extent that any charges are collected hereunder and thereafter refunded, such refunds will be passed back to the UNDC as they are received by NYPA, without interest.

ARTICLE V
ADDITIONAL COVENANTS

5.1. Rate Design Study and New Tariffs. By no later than July 1 of each year during the Term of this Agreement, UNDC shall provide NYPA with a forecast of any load increases or decreases expected for the upcoming calendar year. Based on a market snapshot derived during the month of September, NYPA will develop a final Cost-of-Service for the upcoming calendar year. The Cost-of-Service shall be prepared by the end of the second week in November of each year during the Term, using the projected Variable Costs and the agreed upon Fixed Costs. NYPA tariff rates will continue to be set annually for Variable Costs. NYPA will provide the UNDC with reports as described in the definition of Fixed Costs, including line items indicating the Cost-of-Service for the following year.

5.2. Pro-Rata Share of UCAP. The NYC Governmental Customers will receive a pro-rated share of the In-City UCAP provided by the 500 MW Plant, or other resources if necessary, which is equivalent to minimums of 504 MW of UCAP in the NYISO winter capability period and 449 MW of UCAP in the NYISO summer capability period. The NYC Governmental Key Customers’ share of the 500 MW Plant UCAP is determined by the D9 Allocator and currently is six (6) Winter MW and five (5) Summer MW. The D9 Allocator is subject to adjustment pursuant to the terms set forth herein.

5.3. Debt Service. The debt service included in the Fixed Costs for the 500 MW Plant during the Term of this Agreement shall be at the levels attached hereto as Schedule “H” for reference.

5.4. AEII Plant Agreement and Hydroelectric Facilities.

(a) The Astoria II (“AEII”) plant will continue to support the supply of energy and capacity to the UNDC. Costs for the AEII plant will be recovered pursuant to the existing separate agreement covering AEII, as further described in Section 6.1.

(b) The upstate hydroelectric facilities (Ashokan, Crescent, Jarvis, Vischer Ferry, and Blenheim-Gilboa) are eliminated from the NYC Governmental Key Customers’ portfolio of dedicated resources and the costs associated with these facilities will not be charged to the NYC Governmental Key Customers.

5.5. Purchase of Renewable Market Products. The Parties will pursue short-term and long-term renewable options for the benefit of the UNDC. The Parties will modify this Agreement, in accordance with Section 6.6, to account for any purchases, without limit, of such renewable resources elected by the UNDC. Any purchases of renewable market products (e.g., energy,
capacity or ancillary services) by the UNDC, or by NYPA on behalf of the UNDC, during the Term will offset NYPA provision of equivalent market products. The Parties agree that the UNDC will pay any and all Financial Obligations owed by the UNDC arising from such renewable market purchases. Purchases by NYPA for the UNDC pursuant to this Section shall be subject to NYPA’s procurement guidelines and statutory authority. The Parties further agree in relation to this Section:

(a) UNDC will provide written notice to NYPA of its decision to purchase renewable market products hereunder at least one hundred and fifty (150) days prior to UNDC’s proposed date for deliveries of such products to commence, and UNDC and NYPA will engage in a collaborative process to allow for NYPA to offset its provision of equivalent market products effectively. UNDC shall designate the market products that are part of its supply portfolio that will be offset by renewable resources during this collaborative process.

(b) Renewable Energy Credits associated with renewable market product purchases hereunder shall belong to UNDC in order to meet applicable renewable energy goals.

5.6 Right to Purchase Capacity/Electricity. Subject to the UNDC paying the cost of its Financial Obligations, and provided that it gives NYPA at least six (6) months prior written notice, UNDC shall have the right to (a) without limit, directly purchase its electricity requirements during the Term from another party; or (b) consistent with NYPA’s procurement guidelines and statutory authority, UNDC may authorize NYPA to purchase a percentage of UNDC’s requirements from a specific supplier, which shall be passed through at cost, plus incremental costs incurred by NYPA related to scheduling, dispatching or settlement of loads between NYPA and the new supplier. For purposes of the prior sentence, eligible purchases shall include clean on site or renewable generation options. UNDC purchases under this Section 5.6 will offset NYPA provision of equivalent market products.

5.7 Energy Charge Adjustment. Variable Costs under Section 4.4 of this Agreement will be billed to the UNDC via monthly energy rates. Any variance between projected and actual costs shall be reconciled through the Energy Charge Adjustment ("ECA") mechanism.

5.8 Most Favorable Terms. Upon one hundred and twenty (120) days’ notice prior to each start of the calendar year, up to and including year five of this Agreement, UNDC may elect to receive service under such price and other terms equivalent to the most favorable terms offered by NYPA to any similarly-situated NYC Governmental Key Customer ("Comparable Customer"). Such comparable price and terms shall include the Fixed Costs, Transitional Costs, Sections 4.1 and 4.6 and Schedules A and C, and/or any discounts on Variable Costs offered to a Comparable Customer, other than hedges or power supply procured by the Comparable Customer or by NYPA at the direction of the Comparable Customer. If UNDC exercises this option for such other terms and conditions, UNDC shall be required to accept all the terms applicable to such other customers (including the period of time to which they apply).
6.1. **2005 Agreement**

(a) Except as set forth in subpart (b) of this Section 6.1, this Agreement fully supersedes and replaces the 2005 Agreement, including the following provisions:

i. The O&M Reserve Charge;
ii. The 80/20 voting rule; and
iii. Existing caps on the installation of clean on-site or renewable resources.

(b) Notwithstanding the provisions of subpart (a) of this Section 6.1, or any other provision of this Agreement, the “Agreement Implementing Article XI of 2005 Agreement Concerning New Long-Term Supply Contract (RFP #5)” executed on July 10, 2008, (“2008 Agreement”) shall survive and remain in full force and effect with respect to NYPA’s arrangements with AEII and the obligations of the “Customers”, as defined in the 2008 Agreement.

6.2. **Approvals.** The execution of this Agreement will be contingent on approval by NYPA’s Board of Trustees.

6.3. **Notices.** All notices and other communications required or permitted to be given under this Agreement will be in writing and deemed to have been given: (i) one (1) business day after being delivered by hand; (ii) five (5) business days after being mailed first class or certified with postage paid; (iii) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification or receipt; (iv) on the date of transmission when sent by electronic mail or facsimile (with receipt of confirmation of transmission), if sent during normal business hours of the recipient, or if not, then on the next business day; or (v) on the date of rejection or refusal of such notice or other communication:

If to NYPA, to:

Power Authority of the State of New York  
123 Main Street  
Mail Stop 10  
White Plains, NY 10601  
Attn: Vice President, Economic Development

With copies to (at the same address):
Principal Attorney

If to the UNDC, to:

United Nations Development Corporation
6.4. **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

6.5. **Recitals.** The recitals to this Agreement are true and correct and incorporated herein by this reference.

6.6. **Amendments and Waiver.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Any failure of a Party hereto to comply with any obligation, covenant, agreement or condition herein, may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

6.7. **Entire Agreement.** This Agreement including the Exhibits and Schedules attached hereto and the Application for Electric Service, contains the entire agreement among the Parties with respect to the transactions contemplated hereby and supersedes all previous oral negotiations, commitments, understandings and agreements. This Agreement also may be subject to other applicable tariffs including, but not limited to, the NYPA Tariffs and Rules and Regulations. In the event of any conflicts in the terms of this Agreement and the NYPA Tariffs or Rules and Regulations, or any other agreements arising therefrom, this Agreement shall control.

6.8. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

6.9. **Assignment; Binding Effect.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party by merger, operation of law or otherwise without the prior written consent of the other Party.

6.10. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

6.11. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, provided that the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully deemed severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (b) the
remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (c) in lieu of such illegal, invalid or unenforceable provision, the Parties will endeavor to add to this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

6.12. **Construction.** This Agreement is the product of negotiation and joint effort between the Parties hereto. Accordingly, the language, terms and conditions of this Agreement shall not be construed more strictly against either of the Parties in the event a question of interpretation, construction or meaning should hereafter arise.

6.13. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Parties agree that any and all claims asserted by or against UNDC arising under or related to this Agreement shall solely be heard and determined either in the courts of the United States located in the City or in the courts of the State located in the City and County of New York. The Parties shall consent to the dismissal and/or transfer of any claims asserted in any other venue or forum to the proper venue or forum.

6.14. **Dispute Resolution.** The Parties shall use good faith efforts to settle all disputes arising under this Agreement. In the event that a dispute cannot be resolved in the normal course of business, there will be an attempt to resolve the dispute by negotiation between representatives who have the authority to settle the controversy. To the extent the dispute is not resolved under this process, non-binding mediation may be elected by said representatives by written notice. The dispute may be submitted to an expedited, non-binding mediation proceeding before a qualified mediator in accordance with the mediation rules of the American Arbitration Association. Any mediation will be considered an effort to settle the dispute and no written decision will be issued. The Parties reserve the right to seek judicial relief at any time.

6.15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures conveyed via facsimile or by other electronic means shall have the same force and effect as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________
Name: Jill C. Anderson
Title: Executive Vice President & Chief Commercial Officer, Energy Solutions

UNITED NATIONS DEVELOPMENT CORPORATION

By: __________________________
Name: Robert Cole
Title: Executive Vice President & General Counsel

Signature Page
Long Term Power Supply Agreement
EXHIBIT A

DEFINITIONS


“2005 Agreement” has the meaning set forth in the Recitals of this Agreement.

“AEII” means the Astoria Energy II Power Plant, located at 17-10 Steinway Street in the Astoria section of Queens County, New York, which is covered under a separate agreement.

“Allocated Share”, with respect to the NYC Governmental Key Customers or any other NYC Governmental Customer for any period, means an assigned portion of a product (costs, revenues, MW, MWh, etc.) amount applicable to such a NYC Governmental Customer determined by the D9 Allocator as applicable with respect to such period in the manner set forth in Section 4.1.

“Application for Electric Service” has the meaning set forth in the Recitals of this Agreement.

“Con Edison” means Consolidated Edison Company of New York, Inc.

“Con Edison’s NYPA Tariff” means “P.S.C. No. 12 -- Electricity: The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers”, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

“Cost-of-Service” means a report or a model that denotes the projected costs, revenues and pricing of providing services associated with the electric commodity supply.

“D9 Allocator” means, for any year, the customer’s peak demand (kW) at the hour of NYISO peak, as defined by the NYISO, for the New York Control Area, as a proportion of the total peak demand of all NYC Governmental Customers listed in Schedule G, at that same hour.

“E1 Allocator” means NYC Governmental Key Customer’s total annual energy usage (kWh) as a proportion of the total of all NYC Governmental Customers’ annual energy usage.

“Energy Charge Adjustment” or “ECA” means a monthly reconciliation mechanism that adjusts costs charged through base energy rates to actual costs incurred by NYPA, and subject to reconciliation.

“Effective Date” has the meaning set forth in the Preamble of this Agreement.

“Financial Obligations” means all payments, costs and expenses arising under contracts entered into by NYPA at UNDC’s direction, for which payment UNDC is responsible.
“Fixed Costs” means all costs that are not Variable Costs, and includes all services currently provided by NYPA to UNDC, as specifically set forth in Schedule A, and any other services required by mutual agreement or as otherwise set forth in the Agreement, including the provision by NYPA of the Annual Staff Report, the Annual Cost of Service Report, the Annual Estimated Savings Report, the Monthly Variance and ECA Report, and the Monthly Portfolio Price Risk and Position Report and Market Update Report. Fixed Costs explicitly exclude the items listed in Schedule D.

“Grandfathered Transmission Congestion Contracts” has the meaning set forth in the NYISO Open Access Transmission Tariff Schedule “K.”

“Historic Fixed Price Transmission Congestion Contracts” has the meaning set forth in NYISO Open Access Transmission Tariff Schedule “M.”

“Load Serving Entity” or “LSE” means any entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area (“NYCA”), including an entity that takes service directly from the NYISO to supply its own load in the NYCA.

“NYC Governmental Customers” are listed in Schedule G of this Agreement.

“NYPA” has the meaning set forth in the Preamble of this Agreement.

“NYPA’s Board of Trustees” has the meaning as defined in the New York State Public Authorities Law.

“NYPA’s LSE Cost” represents the NYPA fee for providing services as the NYC Governmental Key Customer’s LSE, as of the Effective Date of this Agreement. The LSE Cost for NYC Governmental Customers is fixed for five (5) years from the Effective Date at eight million U.S. dollars ($8.0 million) annually.

“NYPA Tariff” means NYPA’s Service Tariffs for the provision of electricity service to the NYC Governmental Customers, as in effect on the Effective Date of this Agreement or as thereafter revised.

“New York Independent System Operator” or “NYISO” means the entity that monitors the reliability of the state’s power system, and which coordinates the daily operations to distribute electricity supply that flows through New York State.

“One-Year U.S. Treasury Bill Interest Rate” means the rates published by the U.S. Department of the Treasury, as obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

“Renewable Energy Credits” has the meaning as defined by the New York State Public Service Commission.

“Third-Party Services” has the meaning set forth in Schedule D of this Agreement.

“Transitional Costs” has the meaning set forth in Schedule C of this Agreement.

“Unforced Capacity” or “UCAP” means the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible.

“Variable Costs” means all (i) costs that are not Fixed Costs and include the expected cost of fuel and purchased power incurred by NYPA to serve the NYC Governmental Customers, ancillary services and other NYISO-related charges; minus (ii) NYISO-related or other revenues from sales of capacity, energy or ancillary services associated with the 500 MW Plant. Variable Costs will also include any incremental costs incurred by NYPA as a result of additional resources procured by NYPA for the UNDC pursuant to this Agreement, including costs arising from the purchase transactions required as a result of such procurements made at the UNDC’s directive. An illustrative example of Variable Costs is provided on Schedule F.

“Zero Emission Credits” has the meaning as defined by the New York State Public Service Commission.
EXHIBIT B

APPLICATION FOR SERVICE
November 17, 1994

Mr. Jeffrey Feldman  
President - Operating Division  
United Nations Development Corporation  
Two United Nations Plaza  
New York, New York 10017

Dear Mr. Feldman:

The Power Authority of the State of New York and the United Nations Development Corporation ("UNDC") will be parties to a power sales agreement ("the Agreement") under which the Power Authority will supply the electricity requirements of UNDC. The following clarifications and qualifications shall apply to the Agreement upon its execution by the Power Authority:

1. The following UNDC facilities shall be served under the rate schedules indicated:

   One United Nations Plaza - SC 64, TOD  
   Two United Nations Plaza - SC 64, TOD  
   Three United Nations Plaza - SC 69  
   765 First Avenue - SC 69  
   763 First Avenue - SC 62

   Pursuant to Special Provision H of Service Tariff No. 55, UNDC may resell, remeter or redistribute electric service to tenants located at the foregoing facilities.

2. Under the Time of Day Rates incorporated in the Agreement under General Provision C (Rates) of Service Tariff No. 55, as effective August 30, 1994, there is no demand charge applicable to off-peak service.

3. The rates set forth in General Provision C (Rates) of Service Tariff No. 55 shall not be increased prior to December 31, 1996.
4. In the event that the Authority is required to pay a refund to UNDC as a result of a billing dispute, such refund shall include interest at the statutorily authorized rate.

5. General Provision H (Payment) of Service Tariff No. 55 specifies that payment is due within ten (10) days of the date of the bill. For the purpose of this letter agreement, the date of the bill shall be deemed to mean the date that it is received by UNDC.

6. Under General Provision I (Power Factor) of Service Tariff No. 55, the Authority may require UNDC to normally maintain a power factor of not less than 90 percent. This provision shall be applicable only if the Authority's delivery agent imposes such a requirement on the Authority for all customers, including UNDC, for whose accounts the delivery agent provides service.

7. The only conditions under which Authority may terminate service to UNDC are for non-payment of bills when due and for loss of statutory eligibility for Authority service.

8. Notwithstanding the terms of Delivery Service Appendices C, D, F, G and H, the Authority will not seek to recover any costs associated with the Indian Point No. 1 Nuclear Power Plant in excess of the costs associated with that facility that UNDC would have incurred had it remained a full requirements customer of the Consolidated Edison Company of New York, Inc. (Con Edison).

9. Con Edison has filed a provision with the Public Service Commission (PSC) that would subject certain Authority customers, including UNDC, to a "contract demand charge". The Authority will vigorously oppose Con Edison's filing before the PSC. In the event that the contract demand charge is ultimately approved by the PSC and applied to UNDC, the
Authority shall notify UNDC that the charge, as approved by the PSC, will be applied and UNDC may terminate the Agreement on thirty (30) days' prior written notice to the Authority. The contract demand charge, as approved by the PSC, shall not apply to UNDC during such 30 day notice period. If the PSC allows such charge to become effective retroactively, the Authority will waive its right to payment by UNDC for any amount due as a result of the retroactive application of the contract demand charge in excess of the amount that UNDC otherwise would have paid under Con Edison retail service.

If the foregoing is acceptable to UNDC please so indicate by executing both copies of this letter agreement in the space provided and return one fully executed copy to the Authority.

Sincerely,

Robert G. Schoenberger
First Executive Vice President &
Chief Operating Officer

CONCURRED:

UNITED NATIONS DEVELOPMENT CORPORATION

BY:  

TITLE:  

DATE:  11/29/94
POWER AUTHORITY OF THE STATE OF NEW YORK
1633 BROADWAY, NEW YORK, N.Y. 10019

APPLICATION FOR ELECTRIC SERVICE

UNITED NATIONS DEVELOPMENT CORPORATION (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

(1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.

(2) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customer's facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the furnishing of electric services hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Tariff, both as they may be later amended from time to time.

Notwithstanding the terms of General Provision J (Continuance and termination of Service) of Service Tariff No. 55 which is appended hereto, Customer may terminate service at any time after one year's service on written notice to the Authority at least twelve months in advance.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.
Customer: UNITED NATIONS DEVELOPMENT CORPORATION

By: [Signature]
Title: President

(Date)

Accepted:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: [Signature]
President

(Date: Dec 1, 1994)

(Attest)

By: [Signature]
Secretary

By: [Signature]
Chairman

(Date: 12/6/94)

(Attest)

By: [Signature]
Secretary
ACKNOWLEDGEMENTS

State of New York  )ss:
County of New York  )

On this 24th day of December, 1994 before me personally came S. David Freeman and Anne Wagner-Findeisen, to me known, who each being by me duly sworn, did severally depose and say that they reside in New York, New York and in Cranford, New Jersey, respectively, and that they are President and Secretary of Power Authority of the State of New York. That executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Notary Public in the State of New York
Residing in the County of New York
My Commission expires March 31, 1996

(Notarial Seal)

State of New York  )ss:
County of New York  )

On this 29th day of November, 1994 before me personally came Thomas Appleby and Judith G. Liebman to be known, who being duly sworn, did depose and say that they reside in New York, New York and Brooklyn, New York, respectively, and that they are President and Secretary of United Nations Development Corporation that executed the foregoing instrument; that they know the seal of said entity that one of the seals affixed to said instrument is such entity's seal; that it was so affixed by order of the United Nations Development Corporation and that they signed their names thereto by like order.

Notary Public in the State of New York
Residing in the County of New York
My Commission expires

(Notarial Seal)

META WHEATTLE
Notary Public, State of New York
No. 01WH528231
Qualified in Kings County
Commission Expires April 12, 1996
ACKNOWLEDGEMENTS

State of New York       )ss:
County of New York

On this 10th day of December, 1992 before me personally came Thomas G. Young and Anne Wagner-Findeisen, to me known, who each being by me duly sworn, did severally depose and say that they reside in Syracuse, New York and in Cranford, New Jersey, respectively, and that they are Chairman and Secretary of Power Authority of the State of New York. That executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Notary Public in the State of New York
Residing in the County of New York
My Commission expires March 31, 1994

(Notarial Seal)

VERNADINE E. QUAN-SOON, Notary Public
State of New York, No. 31-4806491
Qualified in New York County
Commission Expires March 31, 1994
SCHEDULE A

FIXED COST SCHEDULE

Fixed costs shall include all costs that are not Variable Costs, as set forth below:

1. Operations & Maintenance
   - 500 MW Plant
   - NYPA fixed O&M costs associated with providing service to NYCGCs

2. Shared Services
   - Headquarters
   - Research & Development
   - Allocation to Capital

3. Capital Cost
   - 500 MW Plant
   - Overhead Debt
   - Other Capital Cost

4. Other Expenses
   - OPEB
   - Asset Retirement – 500 MW Plant

5. Investment and Other Income
## SCHEDULE B

### FIXED COSTS ALLOCATION

**EXAMPLE VALUES - FOR ILLUSTRATIVE PURPOSES ONLY**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group 1</td>
<td>103,352</td>
<td>5.9%</td>
<td>$6,189,960</td>
<td>$515,830</td>
<td>$5,718,344</td>
<td>$471,616</td>
</tr>
<tr>
<td>2</td>
<td>Group 2</td>
<td>438,187</td>
<td>25.0%</td>
<td>$26,243,910</td>
<td>2,186,993</td>
<td>24,244,374</td>
<td>1,999,536</td>
</tr>
<tr>
<td>3</td>
<td>Group 3</td>
<td>518,832</td>
<td>46.7%</td>
<td>$49,041,510</td>
<td>4,086,793</td>
<td>45,305,014</td>
<td>3,736,496</td>
</tr>
<tr>
<td>4</td>
<td>Group 4</td>
<td>81,886</td>
<td>4.7%</td>
<td>4,904,340</td>
<td>408,695</td>
<td>4,530,676</td>
<td>373,664</td>
</tr>
<tr>
<td>5</td>
<td>Group 5</td>
<td>238,064</td>
<td>13.6%</td>
<td>14,258,160</td>
<td>1,188,180</td>
<td>13,171,824</td>
<td>1,086,336</td>
</tr>
<tr>
<td>6</td>
<td>Group 6</td>
<td>53,306</td>
<td>3.0%</td>
<td>3,192,630</td>
<td>266,053</td>
<td>2,949,382</td>
<td>243,248</td>
</tr>
<tr>
<td>7</td>
<td>Group 6 A</td>
<td>10,000</td>
<td>18.8%</td>
<td>598,920</td>
<td>49,910</td>
<td>553,288</td>
<td>45,632</td>
</tr>
<tr>
<td>8</td>
<td>Group 6 B</td>
<td>5,000</td>
<td>9.4%</td>
<td>299,460</td>
<td>24,955</td>
<td>276,644</td>
<td>22,816</td>
</tr>
<tr>
<td>9</td>
<td>Group 6 C</td>
<td>14,000</td>
<td>26.3%</td>
<td>838,488</td>
<td>69,874</td>
<td>774,604</td>
<td>63,885</td>
</tr>
<tr>
<td>10</td>
<td>Group 6 D</td>
<td>24,306</td>
<td>45.6%</td>
<td>1,455,761</td>
<td>121,313</td>
<td>1,344,846</td>
<td>110,915</td>
</tr>
<tr>
<td>11</td>
<td>Group 7</td>
<td>19,527</td>
<td>1.1%</td>
<td>1,169,490</td>
<td>97,458</td>
<td>1,080,386</td>
<td>89,104</td>
</tr>
<tr>
<td>12</td>
<td>Grand Total</td>
<td>1,753,155</td>
<td>100.0%</td>
<td>$105,000,000</td>
<td>$8,750,000</td>
<td>$97,000,000</td>
<td>$8,000,000</td>
</tr>
</tbody>
</table>

Example values are for illustrative purposes only and do not represent actual allocated amounts.
SCHEDULE C

TRANSITIONAL COSTS

There are several, specific expenses which have been incurred by NYPA under the existing Cost-of-Service process which the Parties agree may be collected by NYPA on a prospective basis. For purposes herein, the specific expenses listed below are termed “Transitional Costs.” The Parties agree that, subject to NYPA providing adequate supporting documentation, NYPA shall recover these Transitional Costs outside the recovery of Fixed or Variable Costs under the Agreement. The Transitional Costs recovered from customers shall not exceed the amounts set forth below. NYPA agrees to recover the NYC Governmental Key Customers’ share of the Transitional Costs in equal payments over a three-year period under the same line-item recovery method as the Fixed Costs.

<table>
<thead>
<tr>
<th>Transitional Costs</th>
<th>2016</th>
<th>2017</th>
<th>Projected Remaining 2017</th>
<th>Projected 2018</th>
<th>Total Transitional Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study --- Consulting</td>
<td>$108,697</td>
<td>$48,650</td>
<td>$20,000</td>
<td></td>
<td>$177,347</td>
</tr>
<tr>
<td>Governmental Customer Load Research --- Metering</td>
<td>$6,901</td>
<td>$22,706</td>
<td>$70,000</td>
<td>$300,000</td>
<td>$399,607</td>
</tr>
<tr>
<td>General Rate Design Support</td>
<td></td>
<td></td>
<td>$122,344</td>
<td>$50,000</td>
<td>$172,344</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services</td>
<td>$22,600</td>
<td></td>
<td></td>
<td></td>
<td>$22,600</td>
</tr>
<tr>
<td>Asset Retirement - Poletti (2018-2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,583,904</td>
</tr>
<tr>
<td>Asset Retirement - Kensico (2018-2022)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$480,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,836,544</strong></td>
</tr>
</tbody>
</table>
EXPENSES EXCLUDED FROM FIXED COSTS

The following expenses may be incurred. If they are, these expenses are excluded from the Fixed Costs, and the NYC Governmental Key Customers’ share of the expense, referenced in Section 4.1, of which UNDC’s share is 30.21 percent, may be passed through to UNDC on the monthly bill, without mark-up, and as they are incurred. Such expenses will be supported by third-party invoices. Any billing adjustments related to charges/credits for production and delivery from prior years will continue.

<table>
<thead>
<tr>
<th>Type of Additional Expense not included in Fixed Costs</th>
<th>Estimated Annual Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Customer Load Research Study ---- Outside Consulting</td>
<td>$150,000 to $300,000</td>
</tr>
<tr>
<td>Government Customer Load Research Study ---- Metering (2019-2021)</td>
<td>$35,000</td>
</tr>
<tr>
<td>General Rate Design Support --- Outside Consulting</td>
<td>$50,000 to $150,000</td>
</tr>
<tr>
<td>Delivery Rate Consulting Services ---- Outside Consulting</td>
<td>$100,000 to $200,000</td>
</tr>
</tbody>
</table>
SCHEDULE E

LOAD BUS NAMES & INCLUDED CUSTOMERS

<table>
<thead>
<tr>
<th>Load Bus Name</th>
<th>Customers Included on Load Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zone J</strong></td>
<td></td>
</tr>
<tr>
<td>SENY- OTHER_CE_NY-CITY</td>
<td>UNDC, HRPT, RIOC, BPCA, CCOC, ESDC</td>
</tr>
</tbody>
</table>
**SCHEDULE F**

**APPLICABLE VARIABLE COSTS & REVENUES – FOR ILLUSTRATIVE PURPOSES ONLY**

*Figure 1A – NYC Customer Breakout – March 2017 Actuals*

<table>
<thead>
<tr>
<th>(1)</th>
<th>Variable Cost</th>
<th>March-17</th>
<th>Allocation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td>Purchase Power - Energy</td>
<td>$29,602,651</td>
<td>(27) Transmission Congestion Contracts (TCC)</td>
</tr>
<tr>
<td>(3)</td>
<td>Zone A (Niagara Bus)</td>
<td>$6,798,731</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(4)</td>
<td>Zone A CFD's</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(5)</td>
<td>Zone D CFD</td>
<td>$2,153,204</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(6)</td>
<td>Zone D CFD</td>
<td>$14,028,615</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(7)</td>
<td>Zone G (Ashokan Bus)</td>
<td>$1,156,501</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(8)</td>
<td>Zone G CFD's</td>
<td>$1,156,501</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(9)</td>
<td>Marginal Losses</td>
<td>$1,560,518</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(10)</td>
<td>Balancing Energy</td>
<td>$431,215</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(11)</td>
<td>Congestion Charges</td>
<td>$4,629,369</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(12)</td>
<td>Purchase Power - NYISO Expenses</td>
<td>$2,690,576</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(13)</td>
<td>Ancillary Services Expense Schedule 1 through 6</td>
<td>$1,637,941</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(14)</td>
<td>NTAC</td>
<td>$718,022</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(15)</td>
<td>Transco Facilities Charge</td>
<td>$334,613</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(16)</td>
<td>MSCFCC Expense</td>
<td>$1,156,501</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(17)</td>
<td>Purchase Power - Other</td>
<td>$0</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(18)</td>
<td>Clean Energy Standard Purchases</td>
<td>$0</td>
<td>Rate based</td>
</tr>
<tr>
<td>(19)</td>
<td>Purchase Power - Capacity</td>
<td>$2,056,503</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(20)</td>
<td>NYC, including 500 MW offset</td>
<td>$688,484</td>
<td>Pass-through/D9*</td>
</tr>
<tr>
<td>(21)</td>
<td>ROS</td>
<td>$12,037</td>
<td>Pass-through</td>
</tr>
<tr>
<td>(22)</td>
<td>LHV</td>
<td>$446,715</td>
<td>Cap Tag</td>
</tr>
<tr>
<td>(23)</td>
<td>Demand Curve</td>
<td>$596,533</td>
<td></td>
</tr>
</tbody>
</table>

---

**Notes:**

*Avg. 2015-2016 D9% Allocation for 2018-2020, reset based on avg 2018-2019 D9 for 2021+*

**Avg. 2014-2015 E1% Allocation for the term of the Agreement**
SCHEDULE G

NYC Governmental Customers

Battery Park City Authority
Convention Center Operating Corporation
Empire State Development Corporation
Hudson River Park Trust
Metropolitan Transportation Authority
New York City Housing Authority
City of New York
New York State Office of General Services
The Port Authority of New York & New Jersey
Roosevelt Island Operating Corporation
United Nations Development Corporation
## SCHEDULE H

500 MW Plant Annual Debt Service Payments

<table>
<thead>
<tr>
<th>Line</th>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Figure 4C</td>
<td>$37,173,000</td>
<td>$40,744,136</td>
<td>$39,657,581</td>
<td>$34,526,699</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>Figure 4D</td>
<td>$1,844,937</td>
<td>$2,752,640</td>
<td>$3,461,941</td>
<td>$6,458,631</td>
<td>$23,317,117</td>
</tr>
<tr>
<td>3</td>
<td>Figure 4E</td>
<td>$3,942,797</td>
<td>$3,997,054</td>
<td>$4,056,964</td>
<td>$4,114,751</td>
<td>$4,177,942</td>
</tr>
<tr>
<td>4</td>
<td>Figure 4F</td>
<td>$7,413,079</td>
<td>$7,555,454</td>
<td>$7,706,079</td>
<td>$7,869,579</td>
<td>$8,030,454</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>$50,373,813</td>
<td>$55,049,285</td>
<td>$54,882,564</td>
<td>$52,969,660</td>
<td>$35,525,512</td>
</tr>
</tbody>
</table>

### Notes

1 Source: Final NYPA 2017 Cost of Service Study
POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY 12207

Electric Service Tariff for New York City

Governmental Key Customers

Service Tariff No. 130
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<th>Leaf No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.</td>
<td>Customer Requirements for Production and Delivery Service</td>
</tr>
<tr>
<td>1.</td>
<td>Provision of Production Service</td>
</tr>
<tr>
<td>2.</td>
<td>Provision of Delivery Service</td>
</tr>
<tr>
<td>3.</td>
<td>Temporary Service</td>
</tr>
<tr>
<td>4.</td>
<td>Initiation, Continuance, and Termination of Service</td>
</tr>
<tr>
<td>5.</td>
<td>Transfer of Service</td>
</tr>
<tr>
<td>6.</td>
<td>Redistribution of Electric Service</td>
</tr>
<tr>
<td>F.</td>
<td>Billing Demand</td>
</tr>
<tr>
<td>G.</td>
<td>Billing Period</td>
</tr>
<tr>
<td>H.</td>
<td>Payment</td>
</tr>
<tr>
<td>I.</td>
<td>Apportionment of Charges When Customer Receives Production Service from the Authority and a Third-Party</td>
</tr>
<tr>
<td>J.</td>
<td>Customer Information for Supply Planning</td>
</tr>
<tr>
<td>K.</td>
<td>Bill Proration</td>
</tr>
</tbody>
</table>

## VI. Special Provisions Applicable to Production

<table>
<thead>
<tr>
<th>Leaf No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Energy Charge Adjustment</td>
</tr>
<tr>
<td>B.</td>
<td>Effective Date of Rates and Charges</td>
</tr>
<tr>
<td>C.</td>
<td>NYISO-Related Charges</td>
</tr>
<tr>
<td>D.</td>
<td>Distribution Losses</td>
</tr>
<tr>
<td>E.</td>
<td>Production Rate Structure Updates</td>
</tr>
<tr>
<td>F.</td>
<td>Production Rate Development</td>
</tr>
</tbody>
</table>

## VII. Special Provisions Applicable to Delivery Service

<table>
<thead>
<tr>
<th>Leaf No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Rates and Charges</td>
</tr>
<tr>
<td>1.</td>
<td>Gross Receipt Tax Surcharge</td>
</tr>
<tr>
<td>2.</td>
<td>Delivery Revenue Surcharge</td>
</tr>
<tr>
<td>3.</td>
<td>Revenue Decoupling Mechanism Adjustment</td>
</tr>
<tr>
<td>4.</td>
<td>18-a Assessment Surcharge</td>
</tr>
<tr>
<td>5.</td>
<td>Smart Grid Surcharge</td>
</tr>
<tr>
<td>6.</td>
<td>Reactive Power Demand Charge</td>
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<tr>
<td>7.</td>
<td>Other Charges and Adjustments</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Special Provisions Applicable to Delivery Service - Continued</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Delivery Service Rate Schedule</td>
<td>37</td>
</tr>
<tr>
<td>C. Adjustment of Charges</td>
<td>37</td>
</tr>
<tr>
<td>D. Proration of Monthly Rates and Charges</td>
<td>37</td>
</tr>
<tr>
<td>E. Minimum Bill</td>
<td>38</td>
</tr>
<tr>
<td>F. Seasonal Proration</td>
<td>38</td>
</tr>
<tr>
<td>G. Billing Period Proration</td>
<td>38</td>
</tr>
<tr>
<td>H. Delivery Service Rate True-up Mechanism</td>
<td>38</td>
</tr>
<tr>
<td>I. Delivery Rate Development</td>
<td>39</td>
</tr>
<tr>
<td>J. Rights</td>
<td>39</td>
</tr>
</tbody>
</table>
Electric Service Tariff for New York City Governmental Key Customers
Service Tariff No. 130

I. Applicability
To sale of firm power and energy by Authority to the New York City Governmental Key Customers (“Customer”) and associated Accounts 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 Customer’s facilities are located.

II. Frequently used Abbreviations and Terms

**Abbreviations:**
- kW kilowatt(s)
- kWh kilowatt-hour(s)
- kVA kilovolt-ampere(s)
- kVar kilovolt-amperes reactive
- NYPA New York Power Authority
- NYISO New York Independent System Operator
- TOD Time-of-Day
- GRT Gross Receipts Tax

**Account(s):** A metered or billed location based on Customer billing characteristics.

**Agreement:** An agreement between Authority and Customer containing the terms and conditions under which Authority provides Customer with a supply of electricity. The term Agreement includes the original Application for Electric Service between the Authority and Customer and the supplemental agreement made effective commencing in the January 2018 billing period, between Authority and Customer known as the Supplemental Long Term Power Supply Agreement.

**Authority:** New York Power Authority, an alternative name for the Power Authority of the State of New York.

**Customer:** The New York City Governmental Key Customers (Battery Park City, Convention Center Operating Corp., Hudson River Park Trust, Roosevelt Island Operating Corp., United Nations Development Corp., and Empire State Development Corp.) 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 may include facilities in Westchester belonging to Customer.

**Delivery Service:** The service that Authority procures from Utility on behalf of Authority's governmental customers.

**Electric Service:** The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Fixed Costs:** This term has the meaning provided for in the Agreement.

(Frequently used Abbreviations and Terms – Continued on Leaf No. 6)
Frequently used Abbreviations and Terms (Continued)

**High Tension:** 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

**Low Tension:** 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

**Load Serving Entity:** This term has the meaning provided for in the Agreement.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**P.S.C. No. 12 -- Electricity:** The rate schedule of Consolidated Edison Company of New York Inc. Governing the Delivery Service applicable to Customers, also known as “Schedule for PASNY Delivery Service” as approved by the New York State Public Service Commission, as it may be modified or superseded from time to time.

**Production:** Authority supply of power and energy, excluding Delivery Service and Third-Party Supplier power and energy.

**Rules:** 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 NYCGKCRR § 454) as now in effect and as may be later amended from time to time by Authority.

**Service Tariff:** This Service Tariff

**Third-Party Supplier:** A supplier of power and energy other than Authority.

**Utility:** Consolidated Edison Company of New York, Inc. which provides Delivery Service to the 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:

<table>
<thead>
<tr>
<th>Types of Charges</th>
<th>Bill Components</th>
<th>Charge Units</th>
<th>Billing Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Base Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Energy Charge Adjustment</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Fixed Costs</td>
<td>$ per month</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>Customer or Delivery Point</td>
<td>$ per month</td>
<td># of Accounts</td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>$/kW-month</td>
<td>kW</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td>¢/kWh</td>
<td>kWh</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>various</td>
<td>various</td>
</tr>
<tr>
<td></td>
<td>Taxes</td>
<td>% or percent</td>
<td>on pre-tax bill</td>
</tr>
<tr>
<td>Other</td>
<td>Surcharges or Credits</td>
<td>various</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Adjustments/Reconciliations</td>
<td>various</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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.

C. Defined Billing Terms of Production and Delivery

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


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.

(Calculation of the Bill – Continued on Leaf No. 8)
Calculation of the Bill - Continued

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.
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.

CONVENTIONAL

<table>
<thead>
<tr>
<th>Production</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (¢/kWh)</td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>5.553</td>
</tr>
<tr>
<td>Winter</td>
<td>5.208</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special 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 adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  6. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The General Provisions - Additional Rules, par. (3) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12) are incorporated by reference and apply to this service classification.

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
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.

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>$6.35</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Tension</td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Summer</td>
<td>4.341</td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.003</td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
</tr>
<tr>
<td></td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

Time Period Conventional:
- All hours, all days

Season:
- Summer – June through September
- Winter – October through May

(SC 65 – Continued on Leaf No. 11)
Service Classification No. 65 (continued)

Electric Traction Systems and Platform Lighting

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Delivery Revenue Surcharge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.
- The Special Provision 2 (P.S.C. No. 12) and General Provisions-Additional Rules, par. (3) (P.S.C. No. 12) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

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

Net Metering:
- If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
### Applicability:
- To use of service for light, heat and power for general uses where the Account’s requirements are in excess of 10 kW.

#### CONVENTIONAL

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>$6.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Summer</td>
<td>4.399</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.055</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Reactive Power ($/kVar)
- Billable reactive power demand: 1.97
- Induction-generation exception: 1.97

#### TOD

<table>
<thead>
<tr>
<th></th>
<th>PRODUCTION</th>
<th>DELIVERY</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand ($/kW)</strong></td>
<td>Summer</td>
<td>$6.69</td>
<td>7.14</td>
<td>7.14</td>
</tr>
<tr>
<td></td>
<td>Transmission</td>
<td></td>
<td>19.74</td>
<td>19.74</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td></td>
<td>21.68</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Winter</strong></td>
<td>Primary</td>
<td>$6.69</td>
<td>11.47</td>
<td>11.47</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td></td>
<td>6.85</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Energy (¢/kWh)</strong></td>
<td>Summer</td>
<td>5.265</td>
<td>3.499</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Winter</td>
<td>4.464</td>
<td>3.516</td>
<td></td>
</tr>
<tr>
<td><strong>Reactive Power ($/kVar)</strong></td>
<td>Billable reactive power demand</td>
<td>1.97</td>
<td>Induction-generation exception</td>
<td>1.97</td>
</tr>
</tbody>
</table>

(SC 69 – Continued on Leaf No. 14)
Service Classification No. 69 (continued)

General Large

Time Period Conventional:
- All hours, all days

Time Period TOD:
- **Demand:**
  - Transmission: 8 a.m. to 6 p.m. weekdays
  - Primary: 8 a.m. to 10 p.m. weekdays
  - Secondary: All hours

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

Season:
- Summer – June through September
- Winter – October through May

Production:
- The energy charges set forth above shall be subject to a monthly Energy Charge Adjustment (ECA) as described in Section VI, Special Provision A.

Delivery Service:
- Delivery Service charges set forth above shall be adjusted in accordance with certain other provisions of this Service Tariff, including but not limited to the following:
  1. Monthly Gross Receipts Tax Surcharge, as described in Section VII, Special Provision A.1.
  2. Madison Square Garden charge, as described in Section VII, Special Provision A.2.
  3. Revenue Decoupling Mechanism Adjustment, as described in Section VII, Special Provision A.3.
  4. 18-a Assessment Surcharge, as described in Section VII, Special Provision A.4.
  5. Smart Grid Surcharge, as described in Section VII, Special Provision A.5.
  7. Other Charges and Adjustments, as described in Section VII, Special Provision A.7.

- The P.S.C. No. 12, General Provisions Additional Rules, par. (1) and P.S.C. No. 10, SC 9, Special Provisions A and B included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. are incorporated by reference and apply to this service classification.

(SC 69 – Continued on Leaf No. 15)
Service Classification No. 69 (continued)

Standby Service:

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

Net Metering:

▪ If Rider B applies under this Service Classification, the Charges and Credits will be applied as stated in Rider B.

General Large

Additional provisions applicable to this service classification can be found in Section V General Provisions, Section VI Special Provisions Applicable to Production and Section VII Special Provisions Applicable to Delivery Services.
**Rider A – Standby Service**

**A. Applicability**

Applicable to Customers who would otherwise receive service under Service Classifications No. 65, 68, 69, 80, 82, 85, 91, 93 and 98 rates having generating facilities on their premises that are not in excess of eighty (80) megawatts, and which are interconnected with Authority through the Utility electric system. The nameplate rating of a Customer’s on-site generation facilities must meet or exceed 15 percent of the Customer’s maximum potential demand, consistent with the Utility tariff requirements.

Service under this Rider is limited to Customers who meet the requirements set forth in Rule 20 of Con Edison’s Electric Tariff, P.S.C No. 10. Customers must also meet the requirements set forth in Service Class 11 of Con Edison’s Electric Tariff, P.S.C No. 10 if they wish to receive compensation for Excess Energy from the Utility.

Customers receiving service under this Rider A may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as set forth in Rule 20 and Service Class 11, if applicable, of the Utility tariff.

Customer shall provide upon request of the Authority all documentation necessary to bill the Customer under this Rider A, including but not limited to data necessary to determine Production Contract Standby Demand for each applicable Account, including load, generator, and interconnection data.

The Customer must also submit NYPA’s application for production standby service to be considered. The application is available upon request. The Authority reserves the right to limit service under this Rider.

**B. Type of Service**

NYPA will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage available from Utility.

**C. Definitions:**

- **Total Load:** The total amount of metered demand in kilowatts consumed by a Customer and recorded on each Account’s meter during each 30 minute interval in a Billing Period (as defined in section G of General Provisions), inclusive of kilowatts of power provided by the Authority and kilowatts of power generated by Customer’s qualifying generating facility. For Customers with multiple Standby Accounts, Customer generation will be apportioned to each Account in accordance with the Utility tariff.

- **Production Contract Standby Demand:** The Account’s maximum Total Load in kilowatts from the preceding 12 months, or the months for which data is available if the Account has not been in service for 12 months. If insufficient history is available, or Account’s Total Load is expected to change due to installation or removal of equipment, or Customer implementation of energy efficiency measures, the Authority will determine the Production Contract Standby Demand after consulting with Customer regarding project specifications and/or Account’s past capacity needs. Customer may request in writing an adjustment to Production Contract Standby Demand once per calendar year.
**As-Used Daily Standby Demand:** The demand in kilowatts that is metered or calculated for each day as the maximum positive difference between the Account’s Total Load less the generation kilowatts allocated to the Account in any 30-minute interval of each day during the Billing Period. In no instance will the As-Used Daily Standby Demand be less than zero.

**Excess Energy:** Energy generated by the Customer that exceeds Customer’s total energy usage in an interval and is exported to the Utility’s system.

**D. Rules of Service**

All Accounts at the Customer’s premises taking standby service shall have interval metering and shall be billed under applicable Service Class rates.

Authority power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for under any other schedule of Authority tariff.

Rate adjustments under this Rider A will occur in accordance with the Agreement.

Customer shall provide Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage.

**E. Determination of Production Standby Demand Charges**

The Production Standby Demand Charges in any Billing Period shall be the sum of the “Billed Production Contract Standby Demand Charge” and the “Billed As-Used Daily Standby Demand Charge” for the Billing Period, each as set forth below:

Billed Production Contract Standby Demand Charge: this shall be equal to the Production Contract Standby Demand determined for each Account multiplied by the applicable Production Contract Standby Demand Charge (see below). Where there are multiple Accounts, these values will then be summed.

Billed As-Used Daily Standby Demand Charge: this shall be the sum of the Account-level daily charges, calculated as the maximum As-Used Daily Standby Demand in each day during the Billing Period multiplied by the applicable As-Used Daily Standby Demand Charge (see below).
### Service Classification 65 Conventional

<table>
<thead>
<tr>
<th>Service Characteristics</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.191</td>
<td>$0.180</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.203</td>
<td>$0.192</td>
</tr>
</tbody>
</table>

### Service Classification 69 Conventional

<table>
<thead>
<tr>
<th>Service Characteristics</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.205</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.218</td>
<td>$0.202</td>
</tr>
</tbody>
</table>

### Service Classification 69 Time of Day

<table>
<thead>
<tr>
<th>Service Characteristics</th>
<th>Low Tension</th>
<th>High Tension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Contract Standby Demand Charge ($/kW)</td>
<td>$0.201</td>
<td>$0.190</td>
</tr>
<tr>
<td>As-Used Daily Standby Demand Charge ($/kW-day)</td>
<td>$0.213</td>
<td>$0.202</td>
</tr>
</tbody>
</table>
F. Production Energy Service

Authority will provide energy service to the Customer under the production service class energy rates applicable to the Customer’s Account(s).

G. Excess Energy Compensation

The Authority will assist the Customer in applying to the Utility to receive compensation for Excess Energy exported into the Utility system.

H. Delivery Service Charges

Such charges for Delivery Service will reflect a direct pass through of the currently effective Utility tariff rates, including all Special Provisions, applicable to the Customer, as amended from time to time by Utility.

I. Metering

The Customer’s metering, for each Account, will conform to the Utility’s metering provisions. In the event the Customer requests an additional meter for standby service, the Customer shall pay the cost of the meter and installation.

J. Power Factor Correction

The Power Factor will be handled by the Utility in accordance with the Utility tariff or any applicable agreements between the Customer and Utility.
Rider B – Net Metering

A. Applicability:

To Customers served under Service Classification Nos. 62, 65, 68, 69, 82, 85, 91, 93, and 98 for service pursuant to a net metering arrangement provided that such Customers meet the following conditions:

1. For a Customer with solar electric generating equipment, wind electric generating equipment, micro-combined heat and power generating equipment, micro-hydroelectric electric generating equipment and fuel cell electric generating equipment located and used at its premises, as follows:
   (a) if the Customer is served under demand rates and uses solar, wind or micro-hydroelectric electric generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (b) if the Customer is served under demand rates and uses micro-combined heat and power generating equipment, such equipment must have a rated capacity of not more than 2,000 kW;
   (c) if the Customer is served under demand rates and uses fuel cell electric generating equipment, such equipment must have a rated capacity of not more than 1,500 kW;
   (d) if the Customer is served under energy-only rates, such equipment must have a rated capacity of not more than 10 kW.

2. Service will be provided under this Rider to eligible Customers on a first-come, first-served basis based on the date that NYPA receives notification from the Utility that the Customer has provided a complete project application in accordance with the New York State Standardized Interconnection Requirements (“SIR”) and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems adopted by the New York State Public Service Commission, as modified from time to time.

3. NYPA must also receive a completed detailed study from the Utility stating that the Utility has approved the interconnection and parallel operation of such facilities in accordance with the New York State Public Service Commission’s requirements.

4. To be considered for Net Metering service, the Customer must submit the above required documentation for applicability of service under this Rider in Sections A.2 and A.3, as well as NYPA’s application for Net Metering service, which is available upon written request. NYPA reserves the right to limit service under this Rider. Such circumstances may include, but are not limited to the following: the availability of billing data from the Utility, accurate Utility flagging of Net Metering Accounts to NYPA, Customer meter installation and functionality issues, and other technical issues.

B. Net Metering Definitions and Terms:

**Excess Energy:** The amount of energy (kWh) generated by the Customer’s electric generating equipment that is in excess to the amount of energy consumed by the Account and is exported to the Utility’s distribution system during a billing period.

**Host Account:** NYPA-served electric Account with qualified electric generating equipment located on its premises.
**Net Energy**: The difference between the energy consumed by the Account and the energy generated by the Customer’s electric generating equipment during a billing period.

**Net Metering**: The bi-directional metering process that measures the flow of energy, and registers the difference between the Account’s consumption and the energy generated by the Customer’s electric generating equipment during a billing period.

**Outstanding Charges**: Outstanding demand, energy and other production charges in the billing period, excluding any Delivery Service charges.

**Remote Net Metering**: A service offered by NYPA to its qualified Net Metering Customers that allows the Host Account’s Excess Energy that is converted into monetary credits to be applied from the Host Account to Satellite Accounts.

**Satellite Account**: NYPA-served electric Account to which Host Account’s Excess Energy is converted into monetary credits by NYPA and applied to such Account.

### C. Requirements for Service:

1. Service under this Rider is limited to Customers who meet the SIR requirements.

2. Customers receiving service under this Rider may be required to pay for the installation and/or upgrade of equipment necessary to protect the safety or adequacy of electric service provided to other Customers, as required by the Utility. Customers also may be subject to additional terms, conditions and charges relative to the safe interconnection of Customer’s electric generating equipment, as may be required by the Utility.

3. Billing under this Rider will be provided once a flag identifying a Net Metering Account is received from the Utility through the Utility’s billing data files to NYPA.

### D. Metering:

Meters shall be furnished, installed, employed, and maintained as required by the Utility.

### E. Remote Net Metering:

1. Customer’s Account served under this Rider may apply for Remote Net Metering if they have solar, wind, micro-combined heat and power, micro-hydroelectric, or fuel cell electric generating equipment. Remote Net Metering is subject to the following conditions:

   - (a) All Satellite Accounts must be in the same NYISO zone as the Host Account. A Satellite Account can have only one Host Account, and such Satellite Account cannot be a net metered customer-generator.

   - (b) The Host Account and Satellite Account(s) shall be established in the same Customer name and located on property owned or leased by the Customer. NYPA reserves the right to require the Customer to prove that the properties served by the Host Account and all Satellite Accounts are owned or leased by the same Customer.

   - (c) The Customer shall designate in its initial application to NYPA for Remote Net Metering service the Host Account and Satellite Account(s) that will be Remote Net Metered. In submitting an amended application, the Customer may designate additional Satellite Accounts or remove existing Satellite Accounts once per year, with the new designations to take effect commencing with the January bill issued for the Host Account.
F. Charges and Credits:

1. Charges

   (a) The Customer shall pay the rates and charges of the Customer’s applicable Service Classification for Net Energy supplied by NYPA. If the Customer is served under time-of-day (“TOD”) rates, the charge for Net Energy supplied by NYPA will be determined for each time period.

   (b) A Customer served under this Rider shall pay any customer charge, and any other rates and charges under the Customer’s applicable Service Classification regardless of whether the amount of energy produced by the generating equipment is less than, equal to, or greater than the amount of energy used by the Customer. A Customer taking service under a demand-billed Service Classification also shall pay Production Demand Charges based on the billing demand.

   (c) Delivery Service charges will reflect a direct pass-through of the Utility’s tariff charges and credits, if any, including all Special Provisions, applicable to the Account, as amended from time to time by the Utility.

2. Credits

   (a) For an Account served under a Service Classification with energy-only rates and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided during the billing period will be applied as a kWh credit towards any net kWh used by the Account during the succeeding billing period. If an Account is billed under TOD rates, the kWh Excess Energy credit will be determined and applied, as appropriate, to each time period.

   (b) For an Account served under a Service Classification with demand billing and that supplies Excess Energy to the Utility’s distribution system, any kWh of Excess Energy provided will be converted to the equivalent monetary value at the ¢/kWh rate applicable to the Customer’s Service Classification. The monetary credit will be applied towards any Account’s Outstanding Charges. Any remaining monetary credit will be carried forward to the succeeding billing period.

   (c) If an Account participates in Remote Net Metering, any Excess Energy kWh provided to the Utility’s distribution system by the Host Account during the billing period shall be converted to its equivalent monetary value at the ¢/kWh rate applicable to the Host Account’s Service Classification. The monetary credit then shall be applied, along with any prior period remaining monetary credits, as a direct monetary credit to the Host Account’s electric bill for any Outstanding Charges. If the Host Account’s monetary credits exceed the Host Account’s Outstanding Charges, any remaining monetary credit shall be applied to the Customer’s Satellite Account(s) Outstanding Charges in the order in which the Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Satellite Account(s) have been credited. If more than one Satellite Account is billed on the same day, the monetary credit shall be applied to the Satellite Accounts’ Outstanding Charges in order of kWh usage from highest to lowest. If a monetary credit remains after all Satellite Account(s) are credited, the remainder of the
monetary credit shall be carried forward to the succeeding billing period and applied in the same manner set forth above.

3. Year-End Process

The following procedures shall apply:

(a) At the end of any 12-month cycle, if an Account served under a Service Classification with energy-only rates does not participate in Remote Net Metering, any Excess Energy kWh credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(b) At the end of any 12-month cycle, if an Account served under a Service Classification with demand billing does not participate in Remote Net Metering, any monetary credits remaining on the Account shall be carried forward to the subsequent 12-month cycle.

(c) At the end of any 12-month cycle, if an Account participates in Remote Net Metering, any monetary credit remaining on the Host Account after all Satellite Account(s) have been credited (as described in sections F.2.c of this Rider) shall be carried forward to the subsequent 12-month cycle.

4. Account Closure

NYPA requires an actual reading to close an Account under this Rider. NYPA shall close an Account upon the earlier of following dates:

(a) the first cycle date on which a reading is taken following the requested turn off date, or

(b) the date of a special reading, which a Customer may request for a charge.

After an Account’s final bill is rendered, any remaining kWh or monetary credits will not be credited to the Account or transferred to another Account. If an Account participates in Remote Net Metering, a Satellite Account(s) shall no longer receive credits after the final bill is rendered for a Host Account.

5. Future Changes

NYPA reserves the right, in any manner permitted by law and at any time, to terminate, change, or modify this Rider as deemed necessary in order to harmonize Authority’s tariff with Utility’s Rider R; as dictated by the Public Service Commission; or resulting from Authority’s staff analysis.
Rider C (Reserved for future use)

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V. General 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 (“P.S.C. No. 12”), 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 P.S.C. No. 12, 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 Agreement and any of the agreements or documents referenced in Section V, General Provisions A.1 and 2, the provisions of the 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 95%, lagging or leading, at the meter, or as may otherwise be imposed upon Authority by Utility and/or NYISO.

D. Adjustments in Rates

Annual adjustments to rates will occur in accordance with the Agreement.
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 Customer. Authority will notify Utility when Authority has accepted any new Account(s) of 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 the Service 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 Customer shall be responsible for arranging to terminate its service for applicable Accounts 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 Customer’s service agreement with its Third-Party Supplier, and which transfer should be in accordance with the Service Agreement.

(c) Customer must, to the extent practicable notify Authority in advance of any transfer of service for applicable Accounts 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) Customer 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 Customer 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 the Service 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 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 Accounts of 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 Agreement, the following provisions concerning continuance and termination of Service shall apply:

   a) Initiation of service will be upon approved application of Customer, under the procedures specified in the Rules.

   b) Once initiated, service will continue until cancelled or terminated by Authority pursuant to required notice as provided in the Rules.

   c) 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) Customer may effect a partial termination or reduction of service if such partial termination or reduction results from Account turn offs; load management; or energy conservation.

(c) 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 applicable statutes, laws, rules or regulations.

F. Billing Demand

Except as otherwise agreed upon, for metered service the billing demand established during the billing period shall be the maximum 30 minute integrated demand for conventional service and the maximum 30 minute integrated demand during the On-Peak Demand period for TOD service. 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. 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, except in the case of TOD delivery charges. This bill will be due and payable in accordance with subsection (1) of this Provision H 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.

I. 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).
J. Customer Information for Supply Planning

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

K. Bill Proration

If conditions warrant, consistent with billing system capability and information received from the Utility, the Authority may deem it necessary to apply demand bill proration.
VI. Special Provisions Applicable to Production

A. Energy Charge Adjustment

Unless alternative provisions are set forth in the Agreement with the Authority, the Customer shall be subject to a monthly Energy Charge Adjustment (“ECA”). Pursuant to the ECA, the Authority shall reconcile any variance between the actual costs incurred and the projected costs as described in Section VI.A.1.

1. Such costs subject to the ECA include, but are not limited to: costs and revenues associated with dedicated resources, purchased power energy, capacity, NYISO ancillary services, NYISO-Related charges, hedging costs, costs and rents associated with Transmission Congestion Contracts held by the Authority to serve the Customer, and fixed costs subject to reconciliation.

2. The ECA balance will be calculated each month and shall be equal to the difference between the actual costs incurred by Authority and the projected costs as described in Section IV.A.1. The ECA balance shall be converted into an ECA rate as follows:

\[
\text{ECA rate ($/kWh) } = \frac{\text{ECA balance}}{\text{forecasted energy (kWh)}}
\]

3. The monthly ECA rate, as described in Section VI.A.2, will be applied to the Customer’s billed energy in each billing period.

B. Effective Date of Rates and Charges

The foregoing rates and charges shall apply to any billing period that includes service on and after the effective date hereof, and are applicable for the entire billing period.

C. NYISO-Related Charges

Mechanisms to determine the Energy Charge Adjustment will account for all charges imposed upon Authority by the NYISO (or its successor) to serve the Customer including:

1. Charges for Ancillary Services 1 through 6 and any new ancillary services as may be provided in accordance with NYISO Tariffs;
2. Transmission Usage Charges (“TUC”) which are marginal losses and congestion costs;
3. The “NYPA Transmission Adjustment Charge” or “NTAC”;
4. Costs and rents associated with Transmission Congestion Contracts;
5. Any and all other charges, assessments, or other amounts associated with delivery of power sold to Customers by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for Customers, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and
6. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another Third-Party.

The charges in this section shall be net of any NYISO credits or revenues.
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 at the Account meter(s).

E. Production Rate Structure Updates

Annual updates to the Cost-of-Service, as set forth in the Agreement, shall permit the Authority to perform and to implement production rate updates on an annual basis in order to ensure that the production rate design remains cost-based. Such updates shall take into account changes in load profiles, cost allocators, marginal costs analyses reflecting Customer hourly load data and relevant charges imposed upon Authority by the NYISO, bill impacts, and Customer feedback. Nothing in this provision shall limit or expand the Authority’s ability under the Agreement to perform annual cost-of-service updates to the production rates.

F. Production Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.
VII. **Special 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.

Delivery Service charges, under this Service Tariff are subject, but not limited, to the following surcharges:

1. **Gross Receipt Tax (GRT) Surcharge**

The charges for Delivery Service shall be increased by the applicable percentage rates set forth in the Statement of GRT Surcharge 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. A copy of the current Statement of GRT Surcharge will be available upon request.

2. **Delivery Revenue Surcharge**

The Delivery Revenue charge will collect Allowed Pure Base Revenue shortfalls that result from extension of the suspension period (January 2017), plus interest, over 11 months commencing February 1, 2017.

The Authority allocates the charge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

Statement

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of Delivery Revenue Surcharge. A copy of the current Statement of DRS will be available upon request.

3. **Revenue Decoupling Mechanism (“RDM”) Adjustment**

The Revenue Decoupling Mechanism is applied to Utility delivery service to NYPA’s governmental customers. The RDM Adjustment is a six-month true-up between Pure Base Revenue (actual) and Allowed Pure Base Revenue (target). Annual Allowed Pure Base Revenue is revised whenever there is a change in delivery rates. Pure Base Revenue under P.S.C. No. 12 means revenue attributable to charges under Rates I, II, III and IV, except as specified in P.S.C. No. 12, Additional Delivery Charges and Adjustments (D)

Mechanism

Every month Utility reconciles the difference between actual Pure Base Revenue and Allowed Pure Base Revenue under P.S.C. No. 12. Except as indicated below, every six months the cumulative difference is charged or credited to the Authority, with interest, over the six-month period that commences two months later.

Commencing with January 2017 Pure Base Revenue monthly under/over collections will be allocated on a pro rata basis to NYPA and Kennedy International Airport Cogeneration Partners (“KIAC”) based on the ratio for the month of their respective actual Pure Base
Revenue to the total combined NYPA and KIAC actual Pure Base Revenue. The allocated monthly over/under collections will be accumulated during each RDM reconciliation period and used to calculate separate RDM Adjustments for NYPA and KIAC.

If the cumulative actual difference between actual Pure Base Revenue and Allowed Pure Base Revenue equals or exceeds $10 million under P.S.C. No. 12 plus P.S.C. No. 10 tariff before the end of six months, Utility may initiate collection or refund of RDM amounts prior to the onset of a six-month RDM collection/refund period or adjust the amounts to be collected or refunded for the remaining months of a RDM collection/refund period.

The monthly amount to be charged or credited are determined by dividing the amount to be charged or credited over the RDM collection/refund period divided by the number of months in the collection/refund period. For example, if an amount is to be charged over a six-month period, one-sixth of the amount will be billed monthly.

The Authority allocates the total RDM charge or credit, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from or credited to all governmental customers is shown on the Statement of RDM Adjustment. A copy of the current Statement of RDM Adjustment will be available upon request.

4. 18-a Assessment Surcharge

On April 7, 2009, a change to Section 18-a of the Public Service Law (“PSL”) was signed into law, which entails a Temporary State Energy and Utility Service Conservation Assessment applicable to public utility companies’ revenues. This surcharge allows Utility to recover the 18-a Assessment on its delivery service revenues that is being passed on to the Authority.

Any difference between Section 18-a amounts to be recovered and actual amounts collected, excluding GRT, will be reflected in a subsequent period surcharge; provided, however, that any reconciliation amount required to be collected after the last year that the surcharge is in effect, will be deferred, plus working capital costs, for future disposition.

Utility allocates the 18-a Assessment Surcharge to NYPA based on the class contribution to Utility’s total electric revenues, including GRT.

The Authority allocates the total 18-a Assessment Surcharge, including GRT, to all governmental customers based on the period the allocation of the 18-a Assessment Surcharge is based on.

**Statement**

The total monetary amount, excluding GRT and KIAC, to be collected from all governmental customers is shown on the Statement of 18-a Assessment Surcharge. A copy of the current Statement of 18-a Assessment Surcharge will be available upon request.
5. Smart Grid Surcharge

As directed in Case 13-E-0030, the costs of Smart Grid project work have been moved into base delivery rates for all Utility customers. The Smart Grid Surcharge in effect for the ten months commencing March 2014 will reflect the following:

a) A refund of the revenue requirement associated with the units of project work that were surcharged through December 2013 but not placed in service during calendar year 2013.

b) A refund of Smart Grid amounts that were surcharged under this Service Tariff in January and February 2014; and

c) An adjustment that reconciles prior periods

The Authority allocates the total Smart Grid Surcharge, including GRT, to all governmental customers based on delivery amounts paid by governmental customers during the reconciliation period. A copy of the current Smart Grid Surcharge will be available upon request.

6. Reactive Power Demand Charge

The Reactive Power Demand Charge qualifying criteria and rates applicable to Customers billed under this Service Tariff are specified under the Common Provisions (Reactive Power Demand Charge) included in the Delivery Service Rate Schedule of Consolidated Edison Company of New York, Inc. (P.S.C. No. 12). Reactive Power Demand Charges apply to customers served under Service Classifications 65, 68, 69, 82, 85, 91, 93 and 98.

7. Other Charges and Adjustments

In accordance with the New York State Public Service Commission’s approval of revised rates for the Utility in Case 13-E-0030, the Authority will be charged for Other Charges and Adjustments, as described in more detail below. These charges will be separately shown on the Utility’s Statement of Other Charges and Adjustments “(OTH Statement”) filed with the Public Service Commission.

a. Charge for Demand Management Programs

The Charge for Demand Management Programs will be applicable to Customers billed under this Service Tariff to recover program costs associated with Demand Management Programs by the Utility. These include incurred costs associated with the Commercial System Relief Program (CSRP) under Rider T, the Connected Devices Pilot, the Targeted Demand Side Management Program established in Case 09-E-0115, a portion of the net program costs (i.e., all program costs excluding Lost Reservation Payments under CSRP, and program costs of the Distribution Load Relief Program under Rider U, established in Case 10-E-0530.

The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the total Charge for Demand Management Programs, including GRT, to all governmental customers based on delivery amounts paid by
b. Charge for PJM OATT Rates and Charges

The charge for PJM OATT rates and charges ("PJM OATT Charge") will be applicable to Customers billed under this service tariff to recover the costs associated with the 1,000 MW firm transmission service contract between PJM and the Utility. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility's PSC No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the Charge for PJM OATT Rates and Charges, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

The Authority’s PJM OATT Charge is comprised of two components:

i) The PJM OATT rates and charges applicable to the period April 1, 2013 through December 31, 2013, net of the amount of Public Service Electric and Gas ("PSEG") wheeling charges reflected in rates during that period. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity over the 10 months commencing March 2014.

ii) The PJM OATT rates and charges applicable to the period commencing January 1, 2014. This component reflects the Utility’s billed amounts under PSC No. 12 – Electricity commencing March 2014, and will include an adjustment to recover over a three-month period the Utility’s rates and charges applicable to the period January and February 2014. This component of the Authority’s PJM OATT Charge will be capped at $4.6 million per the Utility’s Rate Year through December 31, 2016, unless this cap is extended by orders of the New York State Public Service Commission.

c. Charges Associated with the Brooklyn/Queens Demand Management Program

The charge will be applicable to Customers under this Service Tariff to recover costs associated with the Utility’s Brooklyn Queens Demand Management Program ("BQDMP"), until the costs are recovered through base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for BQDMP, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
d. Charges to Recover Standby Performance Credits

The charge will be applicable to Customers under this Service Tariff to recover the cost of Standby Performance Credits provided only to the Customers served under this Service Tariff and Service Tariff No. 200. The total amount of the charges applicable to Customers will be determined pursuant to the Utility’s General Rule 20.5.3 of the Schedule for Electricity in its P.S.C. No. 10. The Authority allocates the charge for the Credits, including GRT, to all of its Customers based on delivery amounts paid by the Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

e. Charge to Recover Targeted Demand Management Program and Demonstration Projects

A charge will be applicable to service under this Service Tariff to recover costs related to the Target Demand Management program and Reforming the Energy Vision Demonstration Projects, other than costs recovered in base rates. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for TDM and Demonstration Projects, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

f. Contribution to Earning Adjustment Mechanisms (“EAMs”)

Charges will be applicable under this Service Tariff to collect a portion of incentives earned by the Utility under the various EAMs. The amount to be collected is as follows: five percent of electric customers’ share of incentives earned under the Program Achievement based EAM associated with the Energy Efficiency targets; zero percent of the Program Achievement based EAM associated with the Energy Efficiency targets; a pro rate portion of electric customers’ share of incentives earned under all other EAMs. Incentives will be collected in equal increments over a 12 month period pursuant to the rate plan. The Authority allocates the charge for EAMs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

A copy of the current statement of Other Charges and Adjustments will be available upon request.

g. Charges for Cost Studies

A charge will be applicable to service under this Service Tariff to recover PASNY’s allocation of costs to develop and apply a marginal cost study and electric customers’ share of costs for a Climate Change Vulnerability study. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Cost Studies, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.
delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

h. Costs and Incentives Associated with Non-Wires Alternatives (“NWAs”)

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of costs for implementation of NWAs (adjusted for the carrying charge of any displaced capital project reflected in the Average Electric Plant in Service Balance that would otherwise be deferred for customer benefit), plus PASNY’s allocation of NWAs’ incentives earned by the Company. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for NWAs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

i. Charges for Recovery of Bill Credit Export-only Customers

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of the cost of bill credits provided to export-only customers pursuant to Special Provision I of SC 11 of the Schedule for Electricity. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No. 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the charge for Export Bill Credits, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustments will be available upon request.

j. Clean Energy Standard (CES) Delivery Surcharges

A charge will be applicable to service under this Rate Schedule to recover PASNY’s allocation of two CES components: Tier 2 Maintenance Contracts and Backstop Charges. Estimated Tier II Maintenance Contracts will be collected over each 12 month period commencing April 1. Estimated Backstop Charges will be collected over one to twelve months. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the CES Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

k. Value of Distributed Energy Resources (VDER) Costs

Costs to recover the credits paid to Value Stack customers served under Rider R for the following components: the Value Stack Capacity Component, Out of Market Environmental Component, Demand Reduction Component, and the Locational System Relief Value Component. The portion of these costs allocated to NYPA will be determined based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C. No 12 – Electricity rate schedule and the Utility’s total combined forecasted Rate Year Delivery Revenues for all of its electricity customers. The Authority allocates the VDER Costs, including GRT, to all of its Customers based on delivery amounts paid by Customers during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.
based on the ratio between forecasted Rate Year Delivery Revenues under the Utility’s P.S.C No 12 – Electricity rate schedule and the Utility total combined forecasted Rate Year Delivery Revenues for all its electricity customers. The Authority allocates the VDER Charges, including GRT, to all of its Customers based on delivery amounts paid by Customer during the reconciliation period. A copy of the current statement of Other Charges and Adjustment will be available upon request.

B. Delivery Service Rate Schedule

1. Delivery Service under this Service Tariff is subject to the rules, regulations, terms, Common Charges, General and Special Provisions, and Additional Delivery Charges and Adjustments of the Delivery Service Rate Schedule (P.S.C. No. 12) 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, General Provision A.2.

2. The applicable Special Provisions included in the Delivery Service Rate Schedule (P.S.C. No. 12) 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. 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.
E. Minimum Bill

Customers taking service under this Service Tariff are subject to Delivery Minimum Bill as specified in the General Provisions (Minimum Monthly Charge for Rate I and Rate II) of Delivery Service Rate Schedule of Consolidated Edison Company of New York Inc. (P.S.C. No. 12)

1. Each Month the Utility will determine for each Customer served under this Service Tariff:
   (a) Monthly pure base revenue, and
   (b) The Minimum Monthly Charge

   “Monthly pure base revenue” is equal to Customer’s Demand Charge excluding reactive power demand charges, without reference to the Minimum Monthly Charge, and exclusive of the Increase in Rates and Charges.

   “Minimum Monthly Charge” is equal to the Customer’s Contract Demand established by the Utility multiplied by 39 percent of the delivery service demand applicable to such Customer under applicable rate.

2. For any month in which the Minimum Monthly Charge exceeds the monthly pure base revenue, the Minimum Monthly Charge will be billed.

3. Where the Minimum Monthly Charge is billed, the Customer’s Demand Delivery Charge will be equal to the Minimum Monthly Charge plus reactive power demand charges and any other applicable charges.

Minimum Monthly Charge is applicable to all Customers except those subject to Rider A or Rider B of this tariff.

F. 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.

G. 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.

H. Delivery Service Rate True-up Mechanism

Delivery charges billed by the Authority to Customers are subject to annual true-up with the delivery charges billed by Utility to Authority inclusive of any discrepancies between the estimated billing, street lighting proration and minimum billing procedures of Authority and Utility. The Authority will perform the true-up each July for the 12-month period ending the preceding April, and will make any necessary refunds or surcharges as soon as practicable. Notwithstanding the previous sentence, should the over/under recovery of the Utility’s delivery charges from Customers exceed a collar of $5 million at any time, a refund or surcharge will be passed on to Customers as soon as practicable.
I. Delivery Rate Development

To the extent that a new or existing NYPA Customer should take service under a service classification for which a rate has not been published in this Service Tariff, the Customer will be billed in accordance with the next most appropriate existing rate, determined at the discretion of the Authority, until an appropriate rate is developed. This includes service taken under Rider A Standby Rate.

J. 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 Utility 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 Utility 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.
### O&M 2018 - Budget by Organization ($000's)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>INCREASE/(DECREASE)</th>
<th>2017</th>
<th>2018</th>
<th>INCREASE/(DECREASE)</th>
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<tr>
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#### INCREASE/(DECREASE)

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<thead>
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<th></th>
<th>2017</th>
<th>2018</th>
<th>$'s</th>
<th>%</th>
<th>2017</th>
<th>2018</th>
<th>$'s</th>
<th>%</th>
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<tr>
<td>Executive Offices</td>
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<td>Internal Audit</td>
<td>$4,504.8</td>
<td>$4,642.8</td>
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<td>3.06%</td>
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<td>Public &amp; Regulatory Affairs</td>
<td>$11,960.4</td>
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<td><strong>Office Total</strong></td>
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<tr>
<td>Operations</td>
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<tr>
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<td>500MW</td>
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<tr>
<td>Niagara</td>
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<tr>
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The $3.6 million for cloud implementation is for Risk Management, Human Resources and Procurement IT cloud based software solutions.

Payroll & Benefits $305.8
Materials $24.2 Fees $8.9
Office and Station & Other $15.3
Maint/Repair/Svce Contracts $147.9
Consulting Services $36.6
NYPA Direct & Assesment $8.9
Research & Technology $8.7

$556.5 M (excludes AE II Lease)

O&M: 2018 Budget By Cost Element ($millions)
The $3.6 million for cloud implementation is for Risk Management, Human Resources and Procurement IT cloud based software solutions.

Corporate HQ / R&D
$129.3

Operations HQ
$42.6

Strategic Investments
$38.6

Blenheim - Gilboa
$22.5

SCPP
$19.5

Recharge NY
$2.3

Small Hydros
$7.0

Flynn
$8.6

SENY
$4.7

500MW
$40.0

Canals Corporate HQ
$33.8

Canals East
$27.2

Canals West
$21.0

St. Lawrence
$36.1

Niagara
$57.0

500MW
$40.0

Canals Corporate HQ
$33.8

Canals East
$27.2

Canals West
$21.0

St. Lawrence
$36.1

Niagara
$57.0

500MW
$40.0

Corporate HQ / R&D
$129.3

Operations HQ
$42.6

Strategic Investments
$38.6

Blenheim-Gilboa
$22.5

SCPP
$19.5

Recharge NY
$2.3

Small Hydros
$7.0

Flynn
$8.6

SENY
$4.7

500MW
$40.0

* Astoria does not reflect annual Lease payments

$556.5 M
(excludes AEII Lease)
### O & M: Headcount 2018

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<th>Headquarters</th>
<th>2018 Request</th>
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<td>* Executive Offices</td>
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<tr>
<td>Commercial Operations</td>
<td>52</td>
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<tr>
<td>Business Services</td>
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<td>Human Resources &amp; Enterprise Shared Services</td>
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<td><strong>Headquarters Total</strong></td>
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<tbody>
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<td><strong>Grand Total</strong></td>
<td><strong>2,427</strong></td>
</tr>
</tbody>
</table>

* Includes 20 funded new position requests
## 2018 Capital Budget Request ($000's)

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget in $000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRANSMISSION</strong></td>
<td>97,817</td>
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<tr>
<td><strong>OPERATIONS</strong></td>
<td></td>
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<tr>
<td>NIAGARA</td>
<td>68,616</td>
</tr>
<tr>
<td>ST. LAWRENCE</td>
<td>21,345</td>
</tr>
<tr>
<td>BLENHEIM- GILBOA</td>
<td>6,829</td>
</tr>
<tr>
<td>500 MW</td>
<td>11,055</td>
</tr>
<tr>
<td>SCPP</td>
<td>1,447</td>
</tr>
<tr>
<td>FLYNN</td>
<td>37</td>
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<tr>
<td>SMALL HYDRO PLANTS</td>
<td>1,507</td>
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<tr>
<td><strong>SUB-TOTAL OPERATIONS</strong></td>
<td>208,653</td>
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<td><strong>OPERATIONS HEADQUARTERS</strong></td>
<td>50,169</td>
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<tr>
<td><strong>CANALS</strong></td>
<td>40,000</td>
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<tr>
<td><strong>TOTAL CAPITAL</strong></td>
<td>298,822</td>
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</table>
Capital Plan: 2018 Major Initiatives

Niagara 2018
($ millions)
Total $68.6 million

St. Lawrence 2018
($ millions)
Total $21.3 million
Capital Plan: 2018 Major Initiatives

Transmission 2018
($ millions)
Total $97.8 million

Canals 2018
($ millions)
Total $40.0 million

Transmission LEM Projects
Niagara Transmission LEM
Energy Control Center Redundancy
Sensor Deployment
New Visitor Center
345 KV MA1 AND MA2 Line Upgrade
New Leak Detection System for 345KV
Astoria Annex - Replacement of Shunt Reactors
STL MA1 AND MA2 Structure Replacements Phase II
All Other Transmission Projects

Lock O-7 Rehab
Deruyter Reservoir Dam Rehabilitation
Vessel Replacement/Addition Program
Lock O-2 Pumpsout 17-19
Lock 35 Pumpsout
Albion Waste Weir Rehabilitation
All Other Projects Less than $1.0 Million
<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
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<tbody>
<tr>
<td>SENY GOVERNMENTAL SERVICES PROGRAM</td>
<td>126,885</td>
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<tr>
<td><strong>SUB-TOTAL LONG TERM AGREEMENTS</strong></td>
<td>126,885</td>
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<tr>
<td>ENERGY EFFICIENCY PROGRAM</td>
<td>65,405</td>
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<tr>
<td>MEUA VEHICLES PROGRAM</td>
<td>500</td>
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<tr>
<td><strong>SUB-TOTAL OTHER NYPA FUNDED PROGRAMS</strong></td>
<td>65,905</td>
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<tr>
<td>POCR REBATE PROGRAM</td>
<td>500</td>
</tr>
<tr>
<td>POCR - OTHER</td>
<td>1,509</td>
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<tr>
<td><strong>SUB-TOTAL POCR</strong></td>
<td>2,009</td>
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<tr>
<td><strong>TOTAL ENERGY EFFICIENCY:</strong></td>
<td>194,799</td>
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2018 Energy Services Programs

Long Term Agreement Program
Total $126.9 million

Other Energy Services Programs
Total $67.9 million

- NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP)
- NYC HEALTH & HOSPITALS
- NYC TRANSIT AUTHORITY
- PORT AUTHORITY
- CITY UNIVERSITY OF NY (CUNY)
- LIRR/METRO NORTH/MTA
- WESTCHESTER COUNTY/YONKERS JOINT WWWP
- All Other Projects

- NYS DEPARTMENT OF CORRECTIONS DOCCS
- SUNY CAMPUS
- OFFICE OF GENERAL SERVICES (OGS)
- EMPIRE STATE PLAZA
- CITY AND TOWNS
- POCR
- NYS DEC
- MUNICIPAL VEHICLES
- All Other Projects
Background and Mission of the Power Authority of the State of New York

The mission of the Power Authority of the State of New York ("NYPA" or the "Authority") is to power the economic growth and competitiveness of New York State by providing customers with low-cost, clean, reliable power and the innovative energy infrastructure and services they value. The Authority's financial performance goals are to have the resources necessary to achieve its mission, to maximize opportunities to serve its customers better and to preserve its strong credit rating.

The Authority generates, transmits, purchases and sells electric power and energy as authorized by law. The Authority’s customers include municipal and rural electric cooperatives located throughout New York State, investor-owned utilities, high load factor industries, commercial/industrial and not-for-profit businesses, and various public corporations located in Southeastern New York within the metropolitan area of New York City ("SENY governmental customers") and certain neighboring states.

To provide electric service, the Authority owns and operates five major generating facilities, eleven small gas-fired electric generating facilities, and four small hydroelectric facilities in addition to a number of transmission lines, including major 765-kV and 345-kV transmission facilities. The Authority’s five major generating facilities consist of two large hydroelectric facilities ("Niagara" and "St. Lawrence-FDR"), a large pumped-storage hydroelectric facility ("Blenheim-Gilboa"), the combined cycle electric generating plant located in Queens, New York (the "500-MW plant") and the Richard M. Flynn combined cycle plant located on Long Island ("Flynn").

To maintain its position as a low cost provider of power in a changing environment, the Authority has undertaken and continues to carry out a multifaceted program, including: (a) the upgrade and relicensing of the Niagara and St. Lawrence-FDR projects; (b) long-term supplemental electricity supply agreements with the SENY governmental customers; (c) construction and operation of the 500-MW plant combined-cycle electric generating plant located at the Authority’s Poletti plant site; (d) a long-term electricity supply contract with Astoria Generating LLC for the purchase of the output of a 550-MW power plant in Astoria, Queens ("Astoria Energy II"); (e) a firm transmission capacity purchase agreement with Hudson Transmission Partners, LLC ("HTP") for a portion of the output of the 660 MW, seven mile, underground and underwater transmission line connecting into the PJM ISO; (f) refinancing outstanding bonds to lower the overall cost of debt; and (g) implementation of an enterprise-wide and energy/fuel risk management program. As a component of NYPA’s strategic plan, efforts to modernize NYPA’s generation and transmission infrastructure are being developed to increase flexibility and resiliency, and to serve customers’ needs in an increasingly dynamic energy marketplace.

The Authority provides customers with wide-ranging on-site energy solutions including energy data analytics, planning, operations and the development of capital projects such as energy efficiency, distributed generation, advanced technologies and renewables. The Authority also has responsibility for implementation of the Governor’s Executive Order No. 88, known as “BuildSmart NY” (to improve energy efficiency at State owned and managed buildings), the Five Cities Energy Efficiency Implementation Plans (for the cities of Albany, Buffalo, Rochester, Syracuse and Yonkers to reduce overall energy costs and consumption, strength the reliability of energy infrastructure, create jobs in local clean energy industries and contribute to a cleaner environment), and the K-Solar program (to reduce schools’ energy costs through the use of solar power). From January 2013 through September 30, 2017, NYPA has provided approximately $418 million in financing for energy efficiency projects covered by Executive Order 88. Overall financing from January 2013 through September 30, 2017 for energy efficiency projects for all customers (including EO88 facilities) amounts to $917.7 million.

To achieve its goal of promoting clean energy and efficiency, NYPA implements energy services for the benefit of its power supply customers and for various other public entities throughout the State. Under these programs, the Authority finances the installation of energy saving measures and equipment, which are owned by the customers and public entities upon their installation and which focus primarily on the reduction of the demand for electricity and the efficient use of energy. These programs provide funding for, among other things, high efficiency lighting technology conversions; high efficiency heating, ventilating and air conditioning systems and controls; boiler conversions; replacement of inefficient refrigerators with energy efficient units in public housing projects; distributed generation technologies and clean energy technologies; renewable energy and installation of non-electric energy saving measures. The Authority has authorized, as of September 30, 2017, the expenditure of an aggregate of $5.1 billion on these programs.

Effective January 1, 2017, the New York State Canal Corporation (the “Canal Corporation”) became a subsidiary of the Authority, and the Authority assumed certain powers and duties relating to the Canal...
System (as defined below) to be exercised through the Canal Corporation. The Canal Corporation is responsible for a 524-mile canal system consisting of the Erie, Champlain, Oswego, and Cayuga-Seneca canals (the “Canal System”). See “(c) Canal Corporation” for more information.

(a) **NYPA’s Relationship with New York State Government**

The Authority is a corporate municipal instrumentality and political subdivision of the State of New York (the “State”) created in 1931 by Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended from time to time (the “Act”), to help provide a continuous and adequate supply of dependable electric power and energy to the people of the State.

The Authority’s operations are overseen by a Board of Trustees. NYPA’s Trustees are appointed by the Governor of the State, with the advice and consent of the State Senate. The Authority is a fiscally independent public corporation that does not receive State funds, tax revenues or credits. NYPA generally finances construction of new projects through a combination of internally generated funds and the sale of bonds and notes to investors, and pays related debt service with revenues from the generation and transmission of electricity. Income of the Authority and properties acquired by it for its projects are exempt from taxation.

(b) **Budget Process**

NYPA operates in a capital intensive industry where operating revenues and expenses are significant and highly variable due to the volatility of electricity prices and fuel costs. NYPA’s operations are not only subject to electric and fuel cost volatility, but changing water flows have a direct effect on hydroelectric generation levels. This 2018-2021 Proposed Budget and Financial Plan (“Four-Year Plan”) relies on data and projections developed through the following timeframe:

- During July – October 2017, developed preliminary forecasts of electric prices (both energy and capacity) and fuel expenses; NYPA customer power and energy use; NYPA customer rates; generation levels at NYPA power projects reflecting scheduled outages; and purchased energy & power requirements and sources.
- During July – October 2017, developed preliminary operations & maintenance and capital expense targets.
- During October – November 2017, updated and finalized all forecasts and cost estimates.
- During November – December 2017, integrated above data to produce Final 2018-2021 Budget and Financial Plan.
- Seek authorization of NYPA’s Trustees to approve the 2018-2021 Budget and Financial Plan at their meeting currently scheduled for December 12, 2017 and submit the information to the State Comptroller’s Office; and make the document available for public inspection at five convenient locations and on NYPA’s internet website.
# NYPA’s Four-Year Projected Income Statements

*(in Millions)*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenues</td>
<td>$1,832.5</td>
<td>$1,826.7</td>
<td>$1,825.5</td>
<td>$1,846.9</td>
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<tr>
<td>NYISO Market Revenues</td>
<td>$843.9</td>
<td>$843.2</td>
<td>$875.8</td>
<td>$911.3</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$28.3</td>
<td>$44.5</td>
<td>$48.4</td>
<td>$50.0</td>
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<tr>
<td><strong>Total Operating Income</strong></td>
<td>$2,704.7</td>
<td>$2,714.4</td>
<td>$2,749.7</td>
<td>$2,808.2</td>
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<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Power</td>
<td>$703.3</td>
<td>$700.3</td>
<td>$706.9</td>
<td>$719.5</td>
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<tr>
<td>Fuel</td>
<td>$217.6</td>
<td>$206.6</td>
<td>$214.9</td>
<td>$216.1</td>
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<tr>
<td>Wheeling Expenses</td>
<td>$644.8</td>
<td>$644.9</td>
<td>$644.9</td>
<td>$645.0</td>
</tr>
<tr>
<td>O&amp;M Expenses</td>
<td>$588.4</td>
<td>$612.4</td>
<td>$610.1</td>
<td>$613.2</td>
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<tr>
<td>Other Expenses</td>
<td>$111.6</td>
<td>$113.8</td>
<td>$114.6</td>
<td>$117.1</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>$240.2</td>
<td>$243.1</td>
<td>$246.0</td>
<td>$249.0</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>$(11.0)</td>
<td>$(17.8)</td>
<td>$(15.9)</td>
<td>$(15.1)</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$2,495.0</td>
<td>$2,503.3</td>
<td>$2,521.6</td>
<td>$2,544.8</td>
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<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$209.8</td>
<td>$211.1</td>
<td>$228.2</td>
<td>$263.4</td>
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<tr>
<td><strong>Other Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$18.5</td>
<td>$26.4</td>
<td>$30.3</td>
<td>$35.2</td>
</tr>
<tr>
<td>Other Income</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>$18.5</td>
<td>$26.4</td>
<td>$30.3</td>
<td>$35.2</td>
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<tr>
<td><strong>Non-Operating Expenses:</strong></td>
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<tr>
<td>Interest Expense</td>
<td>$151.3</td>
<td>$152.6</td>
<td>$153.7</td>
<td>$154.3</td>
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<tr>
<td>Contributions to State</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
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<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td>$151.3</td>
<td>$152.6</td>
<td>$153.7</td>
<td>$154.3</td>
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<tr>
<td><strong>NET INCOME</strong></td>
<td>$76.9</td>
<td>$84.9</td>
<td>$104.7</td>
<td>$144.3</td>
</tr>
</tbody>
</table>
2018 Budget – Sources
(in Millions)

- NYISO Market Revenues: $843.9 (31%)
- Customer Revenues: $1,832.5 (67%)
- Investment Income: $18.5 (1%)
- Other Revenue: $28.3 (1%)

2018 Budget – Uses
(in Millions)

- Purchased Power: $703.3 (27%)
- Fuel Oil and Gas: $217.6 (8%)
- Interest Expense: $151.3 (6%)
- Other Expenses: $111.6 (4%)
- Depreciation and Amortization: $240.2 (9%)
- Wheeling Expenses: $644.8 (24%)
- * O&M Expenses: $577.4 (22%)

* Reflects NYPA’s Base O&M Expenses plus Administrative Expenses less the Allocation to Capital.
### NYPAs Statement of Cash Flows

**(in Millions)**

#### Revenue Receipts:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Power, Use of Transmission Lines</td>
<td>$2,355.9</td>
<td>$2,519.3</td>
<td>$2,660.3</td>
<td>$2,679.8</td>
<td>$2,719.6</td>
<td>$2,783.0</td>
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<tr>
<td>Wheeling Charges and other receipts</td>
<td>$14.5</td>
<td>$24.6</td>
<td>$22.8</td>
<td>$29.6</td>
<td>$34.4</td>
<td>$39.8</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$2,370.4</td>
<td>$2,543.9</td>
<td>$2,683.1</td>
<td>$2,709.4</td>
<td>$2,754.0</td>
<td>$2,822.8</td>
</tr>
</tbody>
</table>

#### Expenses:

- **Operation and Maintenance, including Transmission of Electricity by others, Purchased Power and Fuel Purchases**
  - ($2,142.6)
  - ($2,075.7)
  - ($2,353.4)
  - ($2,361.1)
  - ($2,381.7)
  - ($2,406.0)

#### Debt Service:

- **Interest on Bonds and Notes**
  - ($54.8)
  - ($53.9)
  - ($60.1)
  - ($63.1)
  - ($66.5)
  - ($69.4)

- **Bonds and Notes Retired**
  - ($141.9)
  - ($58.1)
  - ($33.6)
  - ($36.2)
  - ($38.8)
  - ($31.8)

**Total Debt Service**

- ($196.7)
- ($111.9)
- ($93.7)
- ($99.3)
- ($105.3)
- ($101.2)

#### Total Requirements:

- ($2,339.3)
- ($2,187.6)
- ($2,447.1)
- ($2,460.4)
- ($2,487.0)
- ($2,507.2)

#### Net Operations:

- $31.1
- $356.3
- $236.0
- $249.0
- $267.0
- $315.6

#### Capital Receipts:

- **Sale of Bonds, Promissory Notes & Commercial Paper**
  - $109.5
  - $275.5
  - $133.9
  - $418.3
  - $284.1
  - $452.8

- **Less : Repayments**
  - ($159.8)
  - ($90.7)
  - $0.0
  - ($50.2)
  - ($83.9)
  - ($158.8)

- **Earnings on Construction Funds**
  - $0.1
  - $0.2
  - $0.2
  - $0.3
  - $0.4
  - $0.3

- **Energy Efficiency Receipts**
  - $143.0
  - $231.7
  - $171.3
  - $220.2
  - $253.7
  - $193.8

- **Temporary Asset Transfer Return from NYS**
  - $21.0
  - $43.0
  - $43.0
  - $43.0
  - $43.0
  - $43.0

- **Other**
  - $0.0
  - $0.0
  - $0.0
  - $0.0
  - $0.0
  - $0.0

**Total Capital Receipts**

- $113.8
- $459.7
- $348.4
- $631.6
- $497.3
- $531.1

#### Capital Additions & Refunds:

- **Additions to Electric Plant in Service and Construction Work in Progress, and Other costs**
  - ($408.9)
  - ($467.3)
  - ($493.6)
  - ($679.1)
  - ($657.3)
  - ($646.7)

- **Construction Funds - Net Transfer**
  - $0.0
  - ($0.2)
  - ($0.2)
  - ($0.3)
  - ($0.4)
  - ($0.3)

**Total Capital Additions & Refunds**

- ($408.9)
- ($467.5)
- ($493.8)
- ($679.4)
- ($657.7)
- ($647.0)

#### Net Capital:

- ($295.1)
- ($7.8)
- ($145.4)
- ($47.8)
- ($160.4)
- ($115.9)

#### Net Increase/(Decrease):

- ($264.0)
- $348.5
- $90.6
- $201.2
- $106.6
- $199.7
(c) **Budget Assumptions**

**NYISO Revenue and Expenses**

Based on scheduled customer power needs and available electricity generated by NYPA’s operating assets, the Authority buys and sells capacity and energy through markets operated by the New York Independent System Operator (‘NYISO’). Various NYISO purchased power charges in combination with generation related fuel expenses comprise a significant portion of NYPA’s operating expenses. A significant amount of the Authority’s revenues result from sales of the Authority’s generation into the NYISO market for which the energy revenues are projected based on available forward price curves while the capacity revenues are estimated using the NYISO demand curve methodology.

**Customer and Project Revenue**

The customers served by the Authority and the rates paid by such customers vary with the NYPA facilities designated to serve such loads. These customers are served under contracts and tariffs approved by the Trustees.

**St. Lawrence-FDR and Niagara Customers**

Power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities are sold under contract to municipal electric systems, rural electric cooperatives, industrial and other business customers, certain public bodies, investor-owned utilities, and out-of-state customers, with the balance sold into the NYISO market.

The charges for firm and/or firm peaking power and associated energy sold by the Authority, as applicable, to the fifty-one municipal electric systems and rural electric cooperatives in New York State; two public transportation agencies; three investor-owned utilities for the benefit of rural and domestic customers; and seven out-of-state public customers have been established on the basis of the cost to serve these loads. This Four-Year Plan models Trustee-approved rate increases for customers as well as prospective rate increases.

Niagara’s expansion and replacement power industrial customers and St. Lawrence-FDR’s industrial customers are allocated over 35% of the firm contract demand of the plants. Sale of expansion and replacement power historically had been handled on a sale-for-resale basis through National Grid and New York State Electric and Gas. However, the direct sale of low cost hydro power to these customers commenced July 1, 2013. As a result, NYPA is now the load-serving entity for these transactions.

Legislation enacted in March 2011, effective July 2012, created a new economic development power program, the ReCharge New York Power Program (‘RNYPP’), to replace two other economic development programs: the Power for Jobs (‘PFJ’) and Energy Cost Savings Benefits (‘ECSB’) programs. RNYPP is a permanent power program administered by the Authority and the Economic Development Power Allocation Board (‘EDPAB’). The RNYPP utilizes 455 MW of hydropower from the Authority’s Niagara and St. Lawrence-FDR projects combined with up to 455 MW of other power procured by the Authority from other sources. The 455 MW of hydropower was, until August 1, 2011, provided to residential and domestic customers of three upstate utilities. The 910 MW of power is available for allocations to eligible new and existing businesses and not-for-profit corporations under contracts of up to seven years. PFJ and ECSB program customers that applied for, but were not awarded RNYPP allocations, were eligible for certain transitional electricity discounts. This transitional electricity discounts program provided for declining levels of discounts through June 30, 2016 when the program terminated. As of June 30, 2017, approximately $10 million of such discounts have been paid with approximately an additional $3 million in payments remaining to be made. The RNYPP legislation also authorizes the Authority, as deemed feasible and advisable by the Trustees, to provide annual funding of $100 million for the first three years following withdrawal of the hydropower from the rural and domestic customers, then $70 million for the fourth year, $50 million for the fifth year, and $30 million each year thereafter, for the purpose of funding a residential consumer discount program for those customers that had previously received this hydropower. Revenues earned from the sale of unused RNYPP power into the wholesale market may be used to offset the cost of these residential discounts. The Authority’s Trustees have authorized the release of a total $474 million through December 2017 in support this residential discount program. The Authority supplemented the market revenues used to fund the residential discount program with internal funds, totaling cumulatively $99 million from August 2011 through June 30, 2017.

In June, 2016 the Authority made an agreement for the sale of 245 MW of firm hydroelectric power and energy from the St. Lawrence-FDR project to the Aluminum Company of America (‘ALCOA’) at its West Plant facilities. This contract with the ALCOA for an aggregate of 245 MW has been executed effective
October 1, 2015 through March 31, 2019, replacing prior long-term contracts with ALCOA. The contract provides for rate adjustments based upon a formula containing various indices, and has provisions for price adjustments based on the price of aluminum on the London Metal Exchange. The contract has job compliance provisions based on employment commitments. In response to certain economic factors surrounding the aluminum smelting industry, and in response to ALCOA’s announcement that it would curtail smelting operations at its Massena plant, the Authority’s Trustees in December 2015 approved execution of this Agreement with ALCOA to replace prior power sales contracts that totaled 478 MW.

The Authority estimates that the total costs associated with the relicensing of the St. Lawrence-FDR Project in 2003 for a period of 50 years will be approximately $210 million, of which approximately $195.3 million has already been spent as of June 30, 2017. These total costs could increase in the future as a result of authorities reserved by FERC in the license for the St. Lawrence-FDR Project issued in 2003. The Authority is collecting in its rates for the sale of St. Lawrence-FDR power amounts necessary to fund such relicensing costs.

Chapter 545 of the laws of 2014 enacted the “Northern New York Power Proceeds Act” (“NNYPPA”). The NNYPPA authorizes the Authority, as deemed feasible and advisable by the Trustees, to deposit net earnings from the sale of unallocated St. Lawrence County Economic Development Power (“SLCEDP”) by the Authority in the wholesale energy market into an account known as the Northern New York Economic Development Fund (“NNY Fund”) administered by the Authority, and to make awards to eligible applicants that propose eligible projects that satisfy applicable criteria. The NNYPPA established a five-member allocation board appointed by the Governor to review applications seeking NNYED Fund benefits and to make recommendations to the Authority concerning benefits awards.

SLCEDP consists of up to 20 MW of hydropower from the Authority’s St. Lawrence-FDR Power Project which the Authority has made available for sale to the Town of Massena Electric Department (“MED”) for MED to sub-allocate for economic development purposes in accordance with a contract between the parties entered into in 2012 (the “Authority-MED Contact”). The NNYPPA defines “net earnings” as the aggregate excess of revenues received by the Authority from the sale of energy associated with SLCEDP sold by the Authority in the wholesale energy market over what revenues would have been received had such energy been sold to MED on a firm basis under the terms of the Authority-MED Contract. For the first 5 years after enactment, the amount of SLCEDP the Authority could use to generate net earnings may not exceed the lesser of 20 MW or the amount of SLCEDP that has not been allocated by the Authority pursuant to the Authority-MED contract. Thereafter, the amount of SLCEDP that the Authority could use for such purpose may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated. The Authority’s estimates of payments from the Authority to the NNY Fund have been incorporated into this Four-Year Plan.

The Western New York Power Proceeds Act (“WNYPPA”), which was enacted on March 30, 2012, authorizes the Authority to deposit net earnings from the sale of unused Expansion Power and Replacement Power from the Authority’s Niagara project into the Western New York Economic Development Fund (“WNY Fund”) as deemed feasible and advisable by the Authority’s Trustees. “Net earnings” are defined as any excess revenue earned from such power sold into the wholesale market over the revenue that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the WNY Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara project that qualify under the applicable criteria. The WNYPPA established a five member allocation board appointed by the Governor. The Authority’s estimates of payments from the Authority to the WNY Fund have been incorporated into this Four-Year Plan.

SENY Governmental Customers
Various municipalities, school districts and public agencies in New York City and Westchester County are served by the Authority’s combined cycle 500-MW plant, the four small hydroelectric plants, the contracted output of the Astoria Energy II plant, and capacity and energy purchased by the Authority in the NYISO markets. Sales into the NYISO of energy generated by these resources and grandfathered transmission rights offset the cost of the energy purchased. A set amount of capacity from the Blenheim-Gilboa project is also dedicated to serving a portion of this customer class.

In 2005, the Authority and its major New York City governmental customers entered into long-term supplemental electricity supply agreements (“2005 LTA”). Under the 2005 LTA, the NYC governmental customers agreed to purchase their electricity from the Authority through December 31, 2017, with the NYC governmental customers having the right to terminate service from the Authority at any time on three years’ notice and, under certain limited conditions, on one year’s notice, provided that they compensate the Authority for any above-market costs associated with certain resources used to supply these customers. The
Authority has been in discussions with the NYC governmental customers in connection with the renewal of these Agreements. No assurance can be made that such contracts will be renewed or what their terms may be upon such renewal, if any. For purposes of the Four-Year Plan, it is assumed that the SENY governmental customers will continue to be served and rates for these customers will be set on the basis of the cost to serve these loads.

Under the 2005 LTA, the Authority modifies rates annually through a formal rate proceeding if there is a change in fixed costs to serve the New York City governmental customers. Generally, changes in variable costs, which include fuel and purchased power, are captured through annual contractual pricing adjustment mechanisms. For 2016 and 2017, the NYC Governmental Customers chose an ECA with market-risk hedging pricing option, actual cost variations in variable costs are passed through to the customers.

The Authority entered into new supplemental electricity supply agreements (“2007 Supplemental Agreements”) with more than one-hundred governmental customers in Westchester County, resulting in the Westchester governmental customers remaining full requirements customers of NYPA. The Westchester County customers can terminate the contract upon one year’s notice, effective no sooner than the January 1st following such notice. The Authority may modify the rates charged the customer pursuant to a specified procedure; an energy charge adjustment mechanism is applicable to all variable costs; the customer is committed to pay for any supply resources secured for it by the Authority under a collaborative process; and NYPA will continue to make available financing for energy efficiency projects and initiatives, with costs thereof to be recovered from the customer.

**Blenheim-Gilboa Customers**

The Authority had a contract for the sale of 50 MW of firm capacity from the Blenheim-Gilboa plant to the Long Island Power Authority (“LIPA”) which expired in April of 2015. The Authority additionally has an active contract for the sale of 250 MW of firm capacity to the Authority’s New York City governmental customers which will end in December of 2017, the rates for which are reset periodically on the basis of cost. The remainder of the plant’s capacity is used to meet the requirements of some of the Authority’s other business and governmental customers and/or sold in the NYISO market.

**Small Clean Power Plants (“SCPPs”)**

In the summer of 2001, the Authority placed in operation ten 44-MW natural-gas-fueled SCPPs in New York City and one on Long Island, to address a potential local reliability deficiency in the New York City metropolitan area and its potential impact on statewide reliability. The plant at the Vernon location is assumed to be operating during the forecast period pursuant to the terms of an agreement entered into at the time of construction.

For the Four-Year Plan, it is assumed that the capacity of the SCPPs may be used by the Authority to meet its customers’ capacity requirements, sold to other users via bilateral arrangements or sold into the NYISO capacity auction. NYPA sells the energy produced by the SCPPs into the NYISO energy market.

**Flynn**

The Flynn project is a combined-cycle facility with a net dependable capability of 162.7 MW. The entire output of the plant had previously been sold to LIPA, however LIPA terminated the Flynn contract on April 30, 2014. The Flynn project now operates as a merchant plant, with capacity and energy output sold into the NYISO market. The forecast is for Flynn to operate as a merchant plant for the next four years.

**Transmission Projects**

The Authority owns approximately 1,400 circuit miles of high voltage transmission lines, the major lines being the 765-kV Massena-Marcy line, the 345-kV Marcy-South line, the 345-kV Niagara-to-Edic line, and the 345-kV Long Island Sound Cable.

Since the formation of the NYISO in November 1999, cost recovery for the Authority’s provision of transmission service over its facilities has been governed by the NYISO tariff which included an annual transmission revenue requirement (“TRR”) for NYPA of $165.4 million. NYPA receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge (“NTAC”), which recovers transmission costs on a statewide basis after accounting for NYPA’s revenues received from pre-existing customer transmission service contracts, a Transmission Service Charge assessed on customers in NYPA’s upstate load zone, and other sources.

In July 2012, the Authority filed for its first TRR increase with FERC. The Authority’s filing resulted in an uncontested settlement approved by FERC for a new, $175.5 million TRR applicable to the Authority,
Company of New York, Inc.'s ("Con Edison") West 49th Street substation in the NYISO. Specifically, the through the transmission rights associated with HTP's transmission line (the "Line") extending from Bergen NYC Governmental Customers and to improve the transmission infrastructure serving New York City Partners, LLC ("HTP") for the purchase of capacity to meet the long-term requirements of the Authority's In 2011, the Trustees authorized Authority staff to enter into an agreement with Hudson Transmission Project In January 2016, the Authority filed for a transmission revenue requirement formula rate with FERC. In March 2016, FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. The Authority requested a formula rate to more efficiently recover its increased capital expenditures needed to maintain the reliability of its transmission system. The Authority filed an unopposed Offer of Settlement on September 30, 2016 that fully resolves the issues raised by interested parties in settlement negotiations concerning the formula rate. Separately, the annual TRR under the formula of $190.0 million initially made effective April 1 was updated on July 1, 2016 to $198.2 million pursuant to the formula rate annual update process. As of July, 2017, The Transmission Revenue Requirement for 2017 is $212.2 million, including the revenue requirement for the Marcy South Series Compensation project. Annual updates commensurate with projected costs are assumed to continue throughout the forecast period. The Authority is moving forward with its plans to replace a major section of the Moses Adirondack Line, one of the Authority's backbone transmission facilities. The replacement project covers 78 miles of 230 kV transmission line from Massena to the town of Croghan in Lewis County. In July 2017, the Authority received authorization under the NYISO tariff to include the costs of this replacement project in its NTAC mechanism for cost recovery of the Authority's transmission system costs, which means that the costs will be allocated to all ratepayers in the State. The Authority estimates a project cost of $440 million. The Authority anticipates that the Moses Adirondack line will support the transmission of growing levels of renewable generation located in upstate New York and Canada, such as wind and hydroelectricity, and assist in meeting the State's renewable energy goals. The rebuilt line is also expected to enhance grid reliability by supporting the NYISO’s black start plan. Construction is expected to take four years and begin in 2019. Hudson Transmission Project In 2011, the Trustees authorized Authority staff to enter into an agreement with Hudson Transmission Partners, LLC ("HTP") for the purchase of capacity to meet the long-term requirements of the Authority's NYC Governmental Customers and to improve the transmission infrastructure serving New York City through the transmission rights associated with HTP's transmission line (the "Line") extending from Bergen County, New Jersey in the PJM Interconnection, LLC (PJM) transmission system, to Consolidated Edison Company of New York, Inc.'s ("Con Edison") West 49th Street substation in the NYISO. Specifically, the Authority executed a Firm Transmission Capacity Purchase Agreement ("FTCPA") with HTP which would have entitled the Authority to 75% of the Line's 660 MW capacity, or 495 MW, for 20 years. The Authority's capacity payment obligations under the FTCPA began upon the Line's commencement of commercial operation, which occurred on June 3, 2013. Also upon commercial operation, the FTCPA obligates the Authority to reimburse HTP for the cost of interconnection and transmission upgrades in New York and New Jersey associated with the Line and to pay for all remaining upgrade costs as they are incurred. Such interconnection and transmission upgrades have been completed. As of June 30, 2017, the Authority paid approximately $336 million of such costs related to the interconnection and transmission upgrades. The Authority's obligations under the FTCPA also include payment of the Regional Transmission Enhancement Plan ("RTEP") charges allocated to HTP in accordance with the PJM tariff. Such RTEP costs are significant and are discussed below. It is estimated that the revenues derived from the Authority's rights under the FTCPA will not be sufficient to fully cover the Authority's costs under the FTCPA during the 20-year term of the FTCPA. In September 2017, the Authority estimated that its under-recovery of costs for the Line could be in the range of approximately $76 million to $94 million per year over the next five years. The under-recovery estimates were based on projections of the capacity payment obligations, the costs of interconnection and transmission upgrades, RTEP charges, and energy and capacity revenues. PJM's RTEP cost allocation methodology for certain upgrades, such as the Bergen-Linden Corridor ("BLC") project built by Public Service Electric & Gas Company ("PSE&G") in New Jersey, is being challenged at FERC in numerous proceedings by Con Edison, the Authority, HTP and other parties on the grounds that PJM has disproportionately allocated the costs of those projects to those parties. In a separate FERC proceeding, the Authority challenged the RTEP share of the BLC project costs allocated to HTP that were made effective May 1, 2017 as a result of Con Edison's termination of its PJM transmission rights. The cost allocations shifted approximately $533 million in RTEP charges for the BLC project that had previously been allocated to Con Edison to HTP. Such costs are in addition to the $111 million in RTEP charges for the BLC project that had previously been allocated to HTP. RTEP costs relating to the BLC project would be paid
over a number of years after construction commenced in 2017. Phase I of the BLC project was completed in June 2016, Phase II was completed in the spring of 2017 and Phase III is scheduled to be completed in 2018.

From June 2013 through June 2017, the Authority has paid approximately $60 million in RTEP charges for the Line, including the BLC project. The Authority estimates that an additional $29 million in RTEP charges will be billed from July through December 2017 based on the current cost allocations. For 2017, RTEP charges are expected to total approximately $47 million.

On March 31, 2017, the Authority and HTP executed an amendment to the FTCPA. In exchange for the Authority extending the cure period for HTP to replace underwater cables that have been subject to failure and which have resulted in the Line being out of service, under the amended FTCPA the Authority will receive: (1) rights to direct HTP to take necessary actions to withdraw, cancel or terminate the 320 MW of Firm Transmission Withdrawal Rights (“FTWRs”), which form the basis for the RTEP cost allocations to HTP, to eliminate future RTEP costs; (2) rights to direct HTP to later reapply for and reacquire these FTWRs on the Authority’s behalf; (3) guarantee that if PJM RTEP assessments cannot be eliminated despite HTP’s efforts to withdraw, cancel or terminate the FTWRs, that HTP will cancel its interconnection service agreement (“ISA”) to physically disconnect the Line from the PJM transmission system, causing termination of all RTEP allocations; (4) based upon RTEP costs already paid, an immediate $40 million increase in the size of the tracking account that is used to offset the cost to purchase the Line at the end of the FTCPA term, at the Authority’s option, and (5) shared rights to direct power on the Line in the opposite direction of its current flow should market conditions present revenue opportunities for selling capacity and energy from New York to New Jersey. Contingent upon the successful satisfactory reduction or complete elimination of the Authority’s obligation for RTEP charges, and HTP’s completion of the cable replacement (or demonstration that it is in the process of completing the cable replacement), the Authority will increase the portion leased by the Authority from 75% to 87.12% of the Line’s capacity, bringing the total capacity of the line leased from 495 MW to 575 MW at a monthly capacity charge rate that represents a decrease in the unit price (on a $/MW-month basis) paid to HTP in the original FTCPA. The Authority estimates that increasing the leased portion of the line to 87.12% will increase its capacity payments by approximately $6 million to $9 million per year over the term of the FTCPA.

The amended FTCPA allows the Authority to seek to manage its RTEP exposure in two ways. First, the Authority can request HTP to relinquish its 320 MW of FTWRs associated with the Line. The Authority started this process which resulted in PJM’s July 2017 FERC filing made at HTP’s request to revise the ISA in order to relinquish HTP’s FTWRs. This proceeding is still ongoing at FERC. Second, if the RTEP assessments cannot be eliminated despite HTP’s efforts to terminate the FTWRs, the Authority retains the ability to direct HTP to cancel its interconnection agreement and physically disconnect the Line from the PJM transmission system. However, this option is considered less desirable because physical disconnection would eliminate the ability to make energy transactions over the Line when the cable replacement is completed. Lease payments would continue from the Authority to HTP in the event of a physical disconnection directed by the Authority.

**Purchased Power Expenses**

Capacity, energy and ancillary service purchases made on behalf of customers (except for those made through previously approved purchased power agreements) are assumed to be transacted at the market clearing price in the wholesale market. For purposes of developing the Four-Year Plan, projected energy rates are based on available forward price curves while the capacity rates are estimated using the NYISO demand curve methodology.

**Fuel Expenses**

Fossil-fuel purchases in the Four-Year Plan are based on expected net generation levels determined through the use of an economic dispatch model for the Authority’s plants and on available forward fuel price curves. Fuel expenses also include the costs associated with emission credit requirements under the Regional Greenhouse Gas Initiative (“RGGI”). RGGI requires the Authority to buy emission credits for its fossil-fuel plants, and the Authority also purchases such credits for the contracted Astoria Energy II plant. The projections for RGGI costs are based on projected emission rates and forecasted consumption of natural gas and oil, with such costs recovered either through specific customer contract pass-through provisions or from the wholesale market.
Wheeling Expenses
Wheeling (i.e., the transmission and/or delivery of power and energy to customers over the lines of a third party) expenses are based on contractual and/or tariff rates of the service provider, and are recovered through pass-through provisions in customer contracts.

Strategic Initiatives
The Authority is pursuing several initiatives, which are in varying stages of implementation. These initiatives include, but are not limited to:

- **Customer Solutions** – to develop innovative, cost-effective and resilient energy solutions that enable customers to achieve their energy goals in new ways;
- **Asset Management** – to strengthen investment planning through enhanced use of technology, data, people and processes;
- **Smart Generation and Transmission** – to deploy advanced technologies that ensure that grid operations become increasingly intelligent;
- **Workforce Planning** – to identify and acquire the skills that NYPA will need to succeed, through internal training, succession planning, employee retention and external recruiting;
- **Knowledge Management** – to promote enhanced sharing of information and knowledge as part of day-to-day operations;
- **Process Excellence** – to enhance processes in order to optimize resources and costs, manage risk, and reduce environmental impact.

The Four-Year Plan reflects costs and revenues with respect to these initiatives.

Canal Corporation
Effective January 1, 2017, the Canal Corporation became a subsidiary of the Authority, and the Authority assumed certain powers and duties relating to the Canal System to be exercised through the Canal Corporation.

The Canal Corporation’s operations and maintenance expenses and capital costs are expected to be funded primarily by transfers of funds from the Authority, except for certain canal-related costs eligible for reimbursement from the New York State Canal System Development Fund (Canal Development Fund). The Canal Development Fund consists of all revenues received from the operation of the Canal System and certain other monies made available to the Fund. Monies of the Canal Development Fund, following appropriation by the Legislature, are available to the Authority and may be expended by the Authority or the Canal Corporation for the purposes specified in State Finance Law 92-u (5). Eligible Canal-related expenses are expected to be reimbursed to the Authority by the State Comptroller with available Canal Development Fund monies.

Given the age of the Canal System, the Authority expects that significant maintenance and capital investments will be required to assure the Canal System’s continuing operation. The Authority’s budget and financial plan for 2018-2021 includes Canal-related operating expenditures ranging from $79 million to $85 million per year and capital expenditures of approximately $40 million per year. The Authority will continue to evaluate the condition of the Canal System and expects to allocate additional funding if deemed necessary through its annual budgeting process.

Investment Income
Investment of the Authority’s funds is administered in accordance with the applicable provisions of the Bond Resolution and with the Authority’s investment guidelines. These guidelines comply with the New York State Comptroller’s investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

The Authority’s investments are restricted to (a) collateralized certificates of deposit, (b) direct obligations of or obligations guaranteed by the United States of America or the State of New York, (c) obligations issued or guaranteed by certain specified federal agencies and any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which is rated in any of the three highest long-term rating categories, or the highest short-term rating category, by nationally recognized rating agencies. The Authority’s investments in the debt securities of Federal National Mortgage Association and Federal Home Loan Bank, Federal Farm Credit Bank and
Federal Home Loan Mortgage Corp. were rated Aaa by Moody's Investors Services, AAA by Fitch Ratings, and AA+ by Standard & Poor's. All of the Authority's investments in U.S. debt instruments are issued or explicitly guaranteed by the U.S. Government.

Operations and Maintenance Expenses

NYPA’s O&M plan by cost element for 2018-2021 is as follows:

<table>
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<tr>
<th>Operations and Maintenance Forecast by Cost Element</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>Payroll</td>
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Depreciation and Amortization Expenses

Depreciation of capital assets is generally provided on a straight-line basis over the estimated lives of the various classes of capital assets. The related depreciation provisions at December 31, 2016 expressed as a percentage of average depreciable capital assets was 2.62%. NYPA has recently reached uncontested settlement in its filing at FERC of the depreciation rates on its transmission and general plant assets. The new depreciation rates were implemented effective March 1, 2017.
Other Expenses
The Other Expenses category largely reflects various accruals and other miscellaneous expenses (e.g., payments to the NNY Fund and WNY Fund), some of which require Trustee authorization on a case-by-case basis.

(d) Self – Assessment of Budgetary Risks

Set forth below is a summary of certain of the risks associated with the Authority’s assets and operations. The following discussion of risks is intended only as a summary and does not purport to identify all of the risk factors that may affect the Authority’s assets and operations. Any one or more of the factors discussed and others could adversely affect the Authority’s operations, assets, revenues and expenses to an extent that cannot be determined at this time.

Regulatory Risks
On August 1, 2016, the New York Public Service Commission (“PSC”) issued an order establishing a Clean Energy Standard (“CES”) to implement the clean energy goals of the State Energy Plan. Pursuant to the CES Order, load serving entities identified in the order are required to purchase “Zero Emission Credits” (“ZECs”) from the New York State Energy Research Development Authority to support the preservation of existing at risk zero emissions nuclear generation. The Authority is not subject to NYPSC jurisdiction for purposes of the CES Order but has assumed an obligation to purchase ZECs consistent with the terms of the CES Order and intends to seek recovery of such costs from the Authority’s customers. On January 31, 2017, the Authority’s Trustees authorized (a) participation in the NYPSC’s ZEC program and (b) execution of an agreement with NYSERDA to purchase ZECs associated with the Authority’s applicable share of energy sales. The Authority and NYSERDA executed an agreement covering a two year period from April 1, 2017 to March 31, 2019 under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area. The Authority estimates that it will incur ZEC Purchase Obligation costs under the CES Order of approximately $255 million in aggregate over the 2017-2020 period, of which approximately $34 million is not expected to be recovered under customer contracts that predate the adoption of the CES Order.

The Regional Greenhouse Gas Initiative (the “RGGI”) is a cooperative effort by Northeastern and Mid-Atlantic states, including New York, to reduce carbon dioxide emission levels. Participating states have established a regional carbon dioxide emissions cap from the power sector (fossil fuel-fired power plants 25MW or greater). The emissions cap reduces by 2.5% annually until 2020. Central to this initiative is the implementation of a multi-state cap-and-trade program with a market-based emissions trading system. The program requires electricity generators to hold carbon dioxide allowances in a compliance account in a quantity that matches their total emissions of carbon dioxide for the compliance period. The Authority's Flynn plant, the SCPPS, and 500-MW Plant are subject to the RGGI requirements, as is the Astoria Energy II plant. The Authority has participated in program auctions to acquire carbon dioxide allowances, which the Authority acquires to cover operation of its fossil-fueled power plants and the Astoria Energy II plant, and expects to recover RGGI costs through its power sales revenues. Beginning 2014, the number of allowances offered in the auction by RGGI cap and trade program was reduced (from allowances covering 165 million tons of carbon dioxide emissions in 2013 to 91 million tons in 2014 to 84.3 million tons in 2017), and will decline by 2.5% each year through 2020. The Authority is monitoring federal legislation and proposed programs that would impact RGGI.

On August 3, 2015, the United States Environmental Protection Agency (the “EPA”) released its final Clean Power Plan (“CPP”) Rule for existing power plants [Clean Air Act 111(d)]. The objective is to reduce by 2030 carbon pollution (carbon dioxide emissions) nationwide from the power sector (plants in operation before December 31, 2012) by 32% from 2005 levels. Under the EPA's regulations for existing sources, states (including New York) will have to submit implementation plans to the EPA, and be compliant with carbon dioxide reduction starting in 2022, with the state's final goal to be met in 2030. The CPP Rule was stayed by the U.S. Supreme Court on February 9, 2016 pending disposition of petitions for review before the U.S. Court of Appeals for the District of Columbia Circuit. The D.C. Circuit Court of Appeals, en banc, heard oral arguments on September 27, 2016, but has not issued a decision (and is not obligated to do so). The EPA’s motion to suspend cases challenging the CPP Rule was granted by the D.C. Circuit Court to give the current EPA administration time to review the rule. The Authority continues to monitor the developments in this area.

During 2011, the EPA issued a series of rulings to establish the Cross-State Air Pollution Rule (“CSAPR”). The CSAPR establishes emission allowance budgets for sulfur dioxide and nitrogen oxides for eastern states, including New York, and requires power plants in those states to hold allowances to cover their
shall, subject to appropriation by the State Legislature, return the $103 million over 5 State fiscal years. As Year 2008-2009. The Spent Nuclear Fuel Reserves are funds that had been set aside for payment to the federal government sometime in the future when the federal government accepts the spent nuclear fuel for permanent storage. The MOU provides for the return of these funds to the Authority, subject to appropriation by the State Legislature and other conditions, at the earlier of the Authority’s payment obligation related to the transfer and disposal of the spent nuclear fuel or September 30, 2017. Further, the MOU provided for the Authority to transfer during State Fiscal Year 2009-2010 approximately $103 million of funds set aside for future construction projects, which amounts would be returned to the Authority, subject to appropriation by the State Legislature and other conditions, at the earlier of when required for operating, capital or debt service obligations of the Authority or September 30, 2014. Both temporary transfers were authorized by the Authority’s Trustees and made in 2009. On April 24, 2014, the Authority and the State executed an Amendment to the MOU that became effective on July 29, 2014 and provides that the State shall, subject to appropriation by the State Legislature, return the $103 million over 5 State fiscal years. As of June 30, 2017, the Authority has received an aggregate of $60 million. The remaining installments provided for by the Amendment to the MOU are $21 million for State Fiscal Year 2017-2018, and $22 million associated with its Spent Nuclear Fuel Reserves by the end of State Fiscal Year 2009-2010. The MOU provided for the Authority to transfer during State Fiscal Year 2009-2010 approximately $103 million of funds set aside for future construction projects, which amounts would be returned to the Authority, subject to appropriation by the State Legislature and other conditions, at the earlier of when required for operating, capital or debt service obligations of the Authority or September 30, 2014. Both temporary transfers were authorized by the Authority’s Trustees and made in 2009. On April 24, 2014, the Authority and the State executed an Amendment to the MOU that became effective on July 29, 2014 and provides that the State shall, subject to appropriation by the State Legislature, return the $103 million over 5 State fiscal years. As of June 30, 2017, the Authority has received an aggregate of $60 million. The remaining installments provided for by the Amendment to the MOU are $21 million for State Fiscal Year 2017-2018, and $22 million

Legislative and Political Risks
A series of legislative enactments have called for the Authority to subsidize business customers and the State’s general fund. Legislation enacted into law, as part of the 2000-2001 State budget, as amended up to the present time, has authorized the Authority as deemed feasible and advisable by the trustees, to make a series of voluntary contributions into the State treasury in connection with the PFJ program and for other purposes as well. Cumulatively through December 31, 2012, the Authority has made voluntary contributions to the State totaling $475 million in connection with the ended PFJ Program and $763 million unrelated to the PFJ program. The PFJ program was replaced by the RNYPP beginning July 1, 2012 with the enacting legislation authorizing transitional electricity discounts through June 30, 2016 for those PFJ and ECSB customers applying for but not receiving RNYPP allocations. For the forecast period, the Authority estimates these transitional payments at $1.7 million for 2017 and $1.7 million for 2018.

In the past, the Authority has, from time to time, made voluntary contributions or payments to the State or as otherwise authorized by legislation. Such payments were authorized by legislation and have been conditional upon the Trustees' determination that such payments are “feasible and advisable”. This Four-Year Plan assumes no such voluntary contributions during the 2018-2021 forecast period. The Trustees' decision as to whether and to what extent such payments are feasible and advisable will be made based on the exercise of their fiduciary responsibilities and in light of the requirements of the Authority’s Bond Resolution, other legal requirements, and all the facts and circumstances known to them at the time of the decision. In May 2011, the Authority’s Trustees adopted a policy statement which relates to, among other things, voluntary contributions, transfers, or other payments to the State by the Authority after that date. The policy statement provides, among other things, that in deciding whether to make contributions, transfers, or payments, the Authority shall use as a reference the maintenance of a debt service coverage ratio of at least 2.0, in addition to making other determinations required by the General Resolution.

In addition to the authorization for the voluntary contributions, the Authority was authorized by budget legislation enacted in February 2009 to make certain temporary asset transfers to the State of funds in reserves. Pursuant to the terms of a Memorandum of Understanding dated February 2009 ("MOU") between the State, acting by and through the Director of the Budget of the State, and the Authority, the Authority agreed to transfer $215 million associated with its Spent Nuclear Fuel Reserves by the end of State Fiscal Year 2008-2009. The Spent Nuclear Fuel Reserves are funds that had been set aside for payment to the federal government sometime in the future when the federal government accepts the spent nuclear fuel for permanent storage. The MOU provides for the return of these funds to the Authority, subject to appropriation by the State Legislature and other conditions, at the earlier of the Authority’s payment obligation related to the transfer and disposal of the spent nuclear fuel or September 30, 2017. Further, the MOU provided for the Authority to transfer during State Fiscal Year 2009-2010 approximately $103 million of funds set aside for future construction projects, which amounts would be returned to the Authority, subject to appropriation by the State Legislature and other conditions, at the earlier of when required for operating, capital or debt service obligations of the Authority or September 30, 2014. Both temporary transfers were authorized by the Authority’s Trustees and made in 2009. On April 24, 2014, the Authority and the State executed an Amendment to the MOU that became effective on July 29, 2014 and provides that the State shall, subject to appropriation by the State Legislature, return the $103 million over 5 State fiscal years. As of June 30, 2017, the Authority has received an aggregate of $60 million. The remaining installments provided for by the Amendment to the MOU are $21 million for State Fiscal Year 2017-2018, and $22 million
for State Fiscal Year 2018-2019. The Authority and the State executed a second Amendment to the MOU, dated as of June 30, 2017, that provides for the return to the Authority of the $215 million in the following amounts: $22 million for State Fiscal Year 2017-2018, $21 million for State Fiscal Year 2018-2019, $43 million for State Fiscal Year 2019-2020, $43 million for State Fiscal Year 2020-2021, $43 million for State Fiscal Year 2021-2022, and $43 million for State Fiscal Year 2022-2023. The obligation of the State to return the moneys transferred by the Authority to the State is subject to annual appropriate by the State Legislature.

Section 1011 of the Power Authority Act ("Act") constitutes a pledge of the State to holders of Authority obligations not to limit or alter the rights vested in the Authority by the Act until such obligations together with the interest thereon are fully met and discharged or unless adequate provision is made by law for the protection of the holders thereof. Several bills have been introduced into the State Legislature, some of which propose to limit or restrict the powers, rights and exemption from regulation which the Authority currently possesses under the Act and other applicable law, or otherwise would affect the Authority’s financial condition or its ability to conduct its business, activities, or operations, in the manner presently conducted or contemplated by the Authority. It is not possible to predict whether any of such bills or other bills of a similar type which may be introduced in the future will be enacted. In addition, from time to time, legislation is enacted into New York law which purports to impose financial and other obligations on the Authority, either individually or along with other public authorities or governmental entities. The applicability of such provisions to the Authority would depend upon, among other things, the nature of the obligations imposed and the applicability of the pledge of the State set forth in Section 1011 of the Act to such provisions. There can be no assurance that the Authority will be immune from the financial obligations imposed by any such provision.

Actions taken by the State Legislature or the Executive Branch to cause greater voluntary contributions or other obligation upon the Authority and which attempt to constrain the discretion of or bypass the Authority’s Trustees could negatively affect net income and possibly harm the Authority’s credit ratings.

**Hydroelectric Generation Risk**

The Authority’s net income is highly dependent upon generation levels at its Niagara and St. Lawrence-FDR Projects. The generation levels themselves are a function of the hydrological conditions prevailing on the Great Lakes, primarily, Lake Erie (Niagara Project) and Lake Ontario (St. Lawrence-FDR Project). Long-term generation level at the two hydroelectric projects is about 20.2 terawatt-hours ("TWH") annually. The Authority’s hydroelectric generation forecast is 22.8 TWH in 2018, 23.2 TWH in 2019, 23.3 TWH in 2020, and 23.8 TWH in 2021. However, these generation amounts are forecasted values, and hydrological conditions can vary considerably from year to year.

The Authority conducted high and low hydroelectric generation sensitivities for 2018-2021 that estimated the potential net income that could result over a reasonable range of hydroelectric generation occurrences. The effects on estimated net income, assuming all other factors remain unchanged, were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Low Generation</th>
<th>High Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Hydroelectric Generation (in Millions)</td>
<td>NYPA Net Income Change (in Millions)</td>
</tr>
<tr>
<td>2018</td>
<td>20.4 TWH</td>
<td>($52.6)</td>
</tr>
<tr>
<td>2019</td>
<td>20.7 TWH</td>
<td>($51.2)</td>
</tr>
<tr>
<td>2020</td>
<td>20.9 TWH</td>
<td>($49.9)</td>
</tr>
<tr>
<td>2021</td>
<td>21.3 TWH</td>
<td>($51.3)</td>
</tr>
</tbody>
</table>
Electric Price and Fuel Risk

Through its participation in the NYISO and other commodity markets, NYPA is subject to electric energy price, fuel price and electric capacity price risks that impact the revenue and purchased power streams of its facilities and customer market areas. Such volatility can potentially have detrimental effects on NYPA’s financial condition. To mitigate downside effects, many of NYPA’s customer contracts provide for the complete or partial pass-through of these costs. To moderate cost impacts to its customers, NYPA, at times, hedges market risks via the use of financial instruments and physical contracts. Hedges are transacted by NYPA to mitigate the cost of energy or related products needed to meet customer needs; to mitigate risk related to the price of energy and related products sold by NYPA; to mitigate risk related to electric margins (electric sales versus fuel use) where NYPA owns generation or other capacity; and mitigation of geographic cost differentials of energy procured or sold for transmission or transportation to an ultimate location. Commodities to be hedged include, but are not limited to, natural gas, natural gas basis, electric energy, electric capacity and congestion costs associated with the transmission of electricity.

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DF Act") which addresses, among other things, interest rate and energy related commodity swap transactions of the type in which the Authority engages (“Swaps”). The requirements and processes are set forth in regulations promulgated by the Commodities Futures Trading Commission (“CFTC”). Pursuant to CFTC rules, the Authority, as a public entity and electric utility which uses swaps solely to manage its risk, is exempted from posting collateral beyond that of any existing credit support annexes in support of its open over-the-counter (“OTC”) hedge positions. These CFTC rules are not anticipated to have significant impact on the Authority’s liquidity and/or future risk mitigation activities. CFTC DF Act rules are still being promulgated, and Authority will continue to monitor their potential impact on the Authority’s liquidity and/or future risk mitigation activities.

Other Business Risks

Industry Transformation

Transformative technologies and customer empowerment are creating uncertainty for the Authority and the electric utility industry that can produce new business opportunities or reduced demand for electric energy. Through its Strategic Planning and Risk Management processes, the Authority regularly evaluates its mission, objectives, and customer needs and seeks to appropriately position the Authority to effectively meet the challenges of the transforming electric industry through implementation of initiatives such as a long-term asset management strategy and a suite of customer solutions including new/modified product offerings. The impact on the Authority’s operations of any such industry transformation is not presently predictable or quantifiable.

Workforce

Like many other industries, the power and utility sector is realizing increased competition for and a general shortage of talent in high skilled areas. This trend is expected to continue and be further impacted by transformations in the industry where new technologies are being developed and deployed. The Authority recognizes the uncertainty with being able to attract and retain the skills and competencies needed to meet stated objectives and regularly evaluates and positions its recruiting, talent development and benefits programs accordingly, through its workforce planning strategic initiative and other ongoing efforts.

Physical and Cyber Security

The Federal Government recognizes the electric utility industry as critical infrastructure for the United States and works closely with the industry to ensure awareness of ongoing threats and that appropriate protections are in place against both physical and cyber-attacks. The Authority constantly assesses the nature of the Physical and Cyber Security risks and adjusts its resources to best anticipate and respond to any threats. With over 1,400 circuit-miles of high voltage transmission lines and 16 power generation facilities across New York State, the Authority recognizes the critical nature of its assets. Investments to harden both physical and cyber assets and their related infrastructure are continually needed to minimize potential adverse impacts to the bulk electric system, detect and deter sabotage attempts, and protect the Authority and customer information.

Catastrophic Natural Events

A catastrophic natural event such as severe weather, flooding or earthquake can negatively affect the operability of Authority assets and the bulk electric system. The Authority regularly evaluates the resiliency of its assets. In addition, the Authority has implemented disaster planning programs relating to Emergency Management, Disaster Recovery and Business Continuity. These plans are based on the specific, unique natural threats at each of its generation facilities. The Authority regularly conducts drills and exercises in
order to ensure advance preparation for these types of events. The Authority maintains close working relationships with local first responders and government agencies to ensure its ongoing preparedness.

**Canal Corporation**
The Authority has identified key risk areas relating to the Canal Corporation and continues to employ and assess risk mitigation options across multiple enterprise risk fronts in an effort to manage or reduce potential exposures. As more actual experience, information and data becomes available, the Authority will adjust and allocate resources accordingly.

**Critical Infrastructure Failure**
As a generation and transmission business the Authority is exposed to potential critical infrastructure failure that may lead to service disruption, injury and/or degradation of system reliability impacting financial results. The Authority engages in several activities in an effort to mitigate these risks such as the purchase of insurance, redundancy of major equipment, capital investments, and a robust operational maintenance program.

**Occupational Health and Workforce Safety**
As a generation and transmission business the Authority is exposed to a variety of health and safety risks. The health and safety of NYPA’s workforce, customers, contractors and the citizens of New York is of the highest priority to the Authority. The Authority has put in place multiple levels of controls, policies, procedures, and training programs in support of reducing and/or eliminating health and safety incidents.

**Litigation Risk**
**St. Regis Litigation**
In 1982 and again in 1989, several groups of Mohawk Indians, including a Canadian Mohawk tribe, filed lawsuits (the St. Regis litigation) against the State, the Governor of the State, St. Lawrence and Franklin counties, the St. Lawrence Seaway Development Corporation, the Authority and others, claiming ownership to certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. These islands are within the boundary of the Authority’s St. Lawrence-FDR Project and Barnhart Island is the location of significant Project facilities. Settlement discussions were held periodically between 1992 and 1998. In 1998, the Federal government intervened on behalf of all Mohawk plaintiffs.

The parties agreed to a land claim settlement, dated February 1, 2005, which if implemented would have included, among other things, the payment by the Authority of $2 million a year for 35 years to the tribal plaintiffs and the provision of up to 9 MW of low cost Authority power for use on the reservation. The legislation required to effectuate the settlement was never enacted and the litigation continued.

In 2013, all claims against the Authority were dismissed and the lawsuit against the Authority was concluded. On May 28, 2014, the State of New York, the St. Regis Mohawk Tribe, St. Lawrence County and the Authority executed a Memorandum of Understanding (“St. Regis MOU”) that outlined a framework for the possible settlement of all the St. Regis land claims. In the St. Regis MOU, the Authority endorses a negotiated settlement that, among other terms and conditions, would require the Authority to pay the Tribe $2 million a year for 35 years and provide up to 9 MW of its hydropower at preference power rates to serve the needs of the Tribe’s Reservation. The St. Regis MOU would require an Act of Congress to forever extinguish all Mohawk land claims prior to such a settlement becoming effective.

Any settlement agreement, including the terms endorsed in the St. Regis MOU, would in the first instance need to be negotiated and agreed upon by all parties to the St. Regis litigation, including parties that did not execute the St. Regis MOU, such as the two other Mohawk groups, the federal government and Franklin County. In addition, before any settlement becomes effective and the Authority is obligated to make any payments contemplated by the St. Regis MOU, federal and state legislation must be enacted which approves the settlement and extinguishes all Mohawk land claims.

**Tropical Storm Irene**
In August 2012, the County of Schoharie, eight towns and villages therein, and one school district (the “Municipalities”) initiated a lawsuit in Schoharie County Supreme Court against the Authority involving the heavy rains and widespread flooding resulting from Tropical Storm Irene’s passage through the Northeast in August 2011. The Municipalities essentially alleged that they sustained property damage and lost tax revenues resulting from lowered assessed valuation of taxable real property due to the Authority’s negligence in its operations at the Blenheim-Gilboa pumped-storage hydroelectric facility located on the Schoharie Creek in Schoharie County, New York. The Municipalities’ complaint seeks judgment “in an
amount to be determined at trial with respect to each [of the ten plaintiffs] in the sum of at least $5,000,000, plus punitive damages in the sum of at least $5,000,000” as well as attorney fees. As of October 31, 2014, all of the Municipalities have discontinued their lawsuits against the Authority.

In February 2012, a private landowner filed a similar lawsuit in Schoharie County Supreme Court on behalf of a park campground and makes nearly the same allegations made by the Municipalities with the plaintiff seeking at least $5 million in damages, at least $5 million in punitive damages, as well as attorney’s fees. In December 2012, the Authority was served with a third lawsuit by five plaintiffs arising out of Tropical Storm Irene and the Authority’s operation of its Blenheim-Gilboa Pumped Storage Project. The five plaintiffs include three individual landowners owning properties located in Schoharie, NY and Central Bridge, NY and claiming damages in the aggregate amount of $1.55 million, and two corporations also owning properties in Schoharie, NY and claiming damages in the aggregate amount of $1.05 million. On October 27, 2014, the Court granted the Authority’s motion to change the place of trial. The Court directed the Clerk of Court to transfer the proceedings to Albany County.

In August 2016, the Authority made a summary judgment motion seeking to dismiss the two remaining actions in their entirety. On January 11, 2017, in a decision and order, the Court granted the Authority’s motion for summary judgment and dismissed both complaints in their entirety. Plaintiffs did not appeal the Court’s January 11, 2017 order. This matter is considered closed.

Long Island Sound Cable Project
In January 2014, one of the Long Island Sound Cable Project underwater cables was severely impacted by an anchor and/or anchor chain dropped by one or more vessels, causing the entire electrical circuit to fail and the circuit to trip. As a result of the impact to the cable, dielectric fluid was released into Long Island Sound. The Authority incurred approximately $34 million in costs arising out of this incident and has recovered approximately $18 million through insurance coverage. The Authority believes that it will be able to recover the full amount of its damages through legal proceedings, insurance coverage and contractual obligations.

Miscellaneous
In addition to the matters described above, other actions or claims against the Authority are pending for the taking of property in connection with its projects, for negligence, for personal injury (including asbestos-related injuries), in contract, and for environmental, employment and other matters. All of such other actions or claims will, in the opinion of the Authority, be disposed of within the amounts of the Authority’s insurance coverage, where applicable, or the amount which the Authority has available therefore and without any material adverse effect on the business of the Authority.
(e) Revised Forecast of 2017 Budget

(in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Forecast 2017</th>
<th>Variance Better/(Worse) 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenues</td>
<td>$1,925.4</td>
<td>$1,770.3</td>
<td>($155.1)</td>
</tr>
<tr>
<td>NYISO Market Revenues</td>
<td>$827.4</td>
<td>$773.7</td>
<td>($53.7)</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$23.0</td>
<td>$23.6</td>
<td>$0.7</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>$2,775.7</td>
<td>$2,567.7</td>
<td>($208.0)</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Power</td>
<td>$729.2</td>
<td>$545.9</td>
<td>$183.4</td>
</tr>
<tr>
<td>Fuel - Oil and Gas</td>
<td>$226.6</td>
<td>$173.9</td>
<td>$52.7</td>
</tr>
<tr>
<td>Wheeling Expenses</td>
<td>$642.3</td>
<td>$614.9</td>
<td>$27.4</td>
</tr>
<tr>
<td>O&amp;M Expenses</td>
<td>$570.7</td>
<td>$550.7</td>
<td>$20.0</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$143.5</td>
<td>$124.0</td>
<td>$19.5</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$260.7</td>
<td>$245.6</td>
<td>$15.2</td>
</tr>
<tr>
<td>Asset Impairment Charge</td>
<td>$0.0</td>
<td>$73.3</td>
<td>($73.3)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$2,573.0</td>
<td>$2,328.3</td>
<td>$244.8</td>
</tr>
<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$202.7</td>
<td>$239.4</td>
<td>$36.7</td>
</tr>
<tr>
<td><strong>Other Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$22.1</td>
<td>$30.0</td>
<td>$7.9</td>
</tr>
<tr>
<td>Other Income</td>
<td>($3.5)</td>
<td>($1.1)</td>
<td>$2.4</td>
</tr>
<tr>
<td>Total Other Income</td>
<td>$18.6</td>
<td>$29.0</td>
<td>$10.4</td>
</tr>
<tr>
<td><strong>Non-Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>$144.2</td>
<td>$141.5</td>
<td>$2.7</td>
</tr>
<tr>
<td>Contributions to State</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Total Non-Operating Expenses</td>
<td>$144.2</td>
<td>$141.5</td>
<td>$2.7</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$77.1</td>
<td>$126.8</td>
<td>$49.8</td>
</tr>
</tbody>
</table>

(f) Reconciliation of 2017 Budget and 2017 Revised Forecast

The 2017 year-end net income projection is $126.8 million, which is $49.8 million above budget. This positive variance is primarily a result of higher hydro generation. LBMP and UCAP prices are generally lower than budget but largely offset by favorable hedging, particularly at the hydro facilities. In addition, an unbudgeted asset impairment charge of $73.3 million reflects the write-down of equipment at the 500 MW plant.
(g) Statement of 2016 Financial Performance

New York Power Authority
Net Income – Actual vs. Budgeted
For the Year ended December 31, 2016

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance Favorable/ (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenues</td>
<td>$1,701</td>
<td>$1,869</td>
<td>($168)</td>
</tr>
<tr>
<td>NYISO Market Revenues</td>
<td>$720</td>
<td>$840</td>
<td>($120)</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$2,421</td>
<td>$2,709</td>
<td>($288)</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Power</td>
<td>$514</td>
<td>$706</td>
<td>$192</td>
</tr>
<tr>
<td>Fuel</td>
<td>$152</td>
<td>$222</td>
<td>$70</td>
</tr>
<tr>
<td>Wheeling</td>
<td>$609</td>
<td>$629</td>
<td>$20</td>
</tr>
<tr>
<td>O&amp;M Expenses</td>
<td>$447</td>
<td>$476</td>
<td>$29</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$187</td>
<td>$195</td>
<td>$8</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$231</td>
<td>$229</td>
<td>($2)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>($15)</td>
<td>($17)</td>
<td>($2)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$2,125</td>
<td>$2,440</td>
<td>$315</td>
</tr>
<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$296</td>
<td>$269</td>
<td>$27</td>
</tr>
<tr>
<td><strong>Other Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$25</td>
<td>$28</td>
<td>($3)</td>
</tr>
<tr>
<td>Other income</td>
<td>$0</td>
<td>$3</td>
<td>($3)</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>$25</td>
<td>$31</td>
<td>($6)</td>
</tr>
<tr>
<td><strong>Non-Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Contribution to New York State</td>
<td>$91</td>
<td>$90</td>
<td>($1)</td>
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<tr>
<td>Canal Corp. Funding</td>
<td>$62</td>
<td>$0</td>
<td>($62)</td>
</tr>
<tr>
<td>Interest and Other Expenses</td>
<td>$146</td>
<td>$159</td>
<td>$13</td>
</tr>
<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td>$299</td>
<td>$249</td>
<td>($50)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$22</td>
<td>$51</td>
<td>($29)</td>
</tr>
</tbody>
</table>

Net Income for the year ended December 31, 2016 was $22 million, which was $29 million lower than budget of $51 million. This negative variance is primarily the result of unbudgeted expenses related to the reimbursement of Canal Corporation expenditures under a funding agreement with the New York State Thruway Authority pursuant to 2016 State Budget legislation. Operating income reflected lower operating expense including lower purchased power, fuel and O&M expense, substantially offset by lower operating revenues.
(h) **Employee Data – number of employees, full-time, FTEs and functional classification**

<table>
<thead>
<tr>
<th></th>
<th>2018 Request</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>823</td>
<td>823</td>
<td>823</td>
<td>823</td>
</tr>
<tr>
<td>Power Generation</td>
<td>904</td>
<td>904</td>
<td>904</td>
<td>904</td>
</tr>
<tr>
<td>Transmission</td>
<td>195</td>
<td>195</td>
<td>195</td>
<td>195</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Strategic Additions *</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Canal Corp</td>
<td>482</td>
<td>482</td>
<td>482</td>
<td>482</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,447</strong></td>
<td><strong>2,447</strong></td>
<td><strong>2,447</strong></td>
<td><strong>2,447</strong></td>
</tr>
</tbody>
</table>

* Funded positions to support strategic growth areas

(i) **Gap-Closing Initiatives – revenue enhancement or cost-reduction initiatives**

As the Authority is projecting positive net income for the 2018-2021 period, there are no planned gap-closing programs.

(j) **Material Non-Recurring Resources – source and amount**

Except as discussed elsewhere in this report, there are no material non-recurring resources expected in the 2018-2021 period.

(k) **Shift in Material Resources**

There are no anticipated shifts in material resources from one year to another.

(l) **Debt Service**

New York Power Authority  
Projected Debt Outstanding (FYE)  
*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds</td>
<td>$912,800</td>
<td>$1,041,703</td>
<td>$1,004,288</td>
<td>$1,127,178</td>
</tr>
<tr>
<td>Adjustable Rate Tender Notes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Subordinated Note</td>
<td>$44,255</td>
<td>$42,875</td>
<td>$41,460</td>
<td>$40,015</td>
</tr>
<tr>
<td>Commercial Paper Notes</td>
<td>$552,716</td>
<td>$605,000</td>
<td>$605,000</td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$1,509,771</strong></td>
<td><strong>$1,689,578</strong></td>
<td><strong>$1,650,748</strong></td>
<td><strong>$1,767,193</strong></td>
</tr>
</tbody>
</table>
New York Power Authority
Debt Service as Percentage of Pledged Revenues
(Debt Service in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Debt Service</th>
<th>% of Rev.</th>
<th>Debt Service</th>
<th>% of Rev.</th>
<th>Debt Service</th>
<th>% of Rev.</th>
<th>Debt Service</th>
<th>% of Rev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds</td>
<td>$80,833</td>
<td>2.97%</td>
<td>$85,456</td>
<td>3.12%</td>
<td>$89,967</td>
<td>3.24%</td>
<td>$84,656</td>
<td>2.98%</td>
</tr>
<tr>
<td>Adjustable Rate Tender Notes</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Subordinated Debt</td>
<td>$2,999</td>
<td>0.11%</td>
<td>$2,996</td>
<td>0.11%</td>
<td>$3,000</td>
<td>0.11%</td>
<td>$2,996</td>
<td>0.11%</td>
</tr>
<tr>
<td>Commercial Paper Notes</td>
<td>$9,866</td>
<td>0.36%</td>
<td>$10,822</td>
<td>0.39%</td>
<td>$12,324</td>
<td>0.44%</td>
<td>$18,575</td>
<td>0.65%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$93,698</strong></td>
<td><strong>3.44%</strong></td>
<td><strong>$99,274</strong></td>
<td><strong>3.62%</strong></td>
<td><strong>$105,291</strong></td>
<td><strong>3.79%</strong></td>
<td><strong>$106,228</strong></td>
<td><strong>3.74%</strong></td>
</tr>
</tbody>
</table>

New York Power Authority
Planned Use of Debt Issuances
(in thousands)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Amount</th>
<th>Assumed Interest Rate</th>
<th>Project / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period January 1, 2018 – December 31, 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$13,853</td>
<td>1.75%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$11,735</td>
<td>2.27%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Total Issued 2018</td>
<td>$25,588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period January 1, 2019 – December 31, 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$38,132</td>
<td>2.00%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$14,152</td>
<td>2.45%</td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax Exempt Revenue Bonds</td>
<td>$101,924</td>
<td>3.43%</td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$61,794</td>
<td>3.72%</td>
<td>Robert Moses Power Plant/Lewiston Pump Generating Plant</td>
</tr>
<tr>
<td>Total Issued 2019</td>
<td>$216,002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period January 1, 2020 – December 31, 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>---------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$4,980</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.61%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Issued 2020</td>
<td>$4,980</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period January 1, 2021 – December 31, 2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Exempt Commercial Paper</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>2.36%</td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Taxable Commercial Paper</td>
<td>$1,910</td>
</tr>
<tr>
<td></td>
<td>2.76%</td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Program</td>
</tr>
<tr>
<td>Tax Exempt Revenue Bonds</td>
<td>$101,236</td>
</tr>
<tr>
<td></td>
<td>3.43%</td>
</tr>
<tr>
<td></td>
<td>Transmission</td>
</tr>
<tr>
<td>Taxable Revenue Bonds</td>
<td>$52,194</td>
</tr>
<tr>
<td></td>
<td>3.72%</td>
</tr>
<tr>
<td></td>
<td>Robert Moses Power Plant/Lewiston Pump Generating Plant</td>
</tr>
<tr>
<td>Total Issued 2021</td>
<td>$155,340</td>
</tr>
</tbody>
</table>

Note: The full faith and credit of the Authority are pledged for the payment of bonds and notes in accordance with their terms and provisions of their respective resolutions. The Authority has no taxing power and its obligations are not debts of the State or any political subdivision of the State other than the Authority. The Authority's debt does not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority.
### Scheduled Debt Service Payments

#### Outstanding (Issued) Debt

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$33,620,000</td>
<td>$50,929,044</td>
<td>$84,549,044</td>
</tr>
<tr>
<td>2019</td>
<td>$36,195,000</td>
<td>$49,366,017</td>
<td>$85,561,017</td>
</tr>
<tr>
<td>2020</td>
<td>$38,830,000</td>
<td>$48,278,111</td>
<td>$87,108,111</td>
</tr>
<tr>
<td>2021</td>
<td>$30,005,000</td>
<td>$47,566,626</td>
<td>$77,571,626</td>
</tr>
</tbody>
</table>

#### Proposed Debt

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-</td>
<td>$9,148,774</td>
<td>$9,148,774</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>$13,713,082</td>
<td>$13,713,082</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td>$18,182,808</td>
<td>$18,182,808</td>
</tr>
<tr>
<td>2021</td>
<td>$6,785,484</td>
<td>$21,870,398</td>
<td>$28,655,882</td>
</tr>
</tbody>
</table>

#### Total Debt

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$33,620,000</td>
<td>$60,077,818</td>
<td>$93,697,818</td>
</tr>
<tr>
<td>2019</td>
<td>$36,195,000</td>
<td>$63,079,099</td>
<td>$99,274,099</td>
</tr>
<tr>
<td>2020</td>
<td>$38,830,000</td>
<td>$66,460,919</td>
<td>$105,290,919</td>
</tr>
<tr>
<td>2021</td>
<td>$36,790,484</td>
<td>$69,437,025</td>
<td>$106,227,508</td>
</tr>
</tbody>
</table>
Capital Commitments and Sources of Funding

The Authority’s commitments for various capital improvements are approximately $2.5 billion over the financial period 2018 - 2021. The Authority anticipates that these improvements will be funded using existing construction funds, internally-generated funds and additional borrowings. Such additional borrowings are expected to be accomplished through the issuance of additional commercial paper notes and/or the issuance of long-term fixed rate debt. Projected capital commitments during this period include those listed in the table below.

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission Life Extension &amp; Modernization (LEM)</td>
<td>$40,538</td>
<td>$50,322</td>
<td>$48,801</td>
<td>$34,079</td>
</tr>
<tr>
<td>Moses Adirondack Line Replacement</td>
<td>$5,758</td>
<td>$66,000</td>
<td>$88,000</td>
<td>$88,000</td>
</tr>
<tr>
<td>Energy Control Center Redundancy</td>
<td>$11,432</td>
<td>$793</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>St. Lawrence New Security &amp; Warehouse Facility</td>
<td>$65</td>
<td>$8,453</td>
<td>$16,064</td>
<td>$3,020</td>
</tr>
<tr>
<td>St. Lawrence Structure Replacement</td>
<td>$3,158</td>
<td>$3,009</td>
<td>$2,954</td>
<td>$</td>
</tr>
<tr>
<td>Transmission Communication Backbone</td>
<td>$10,761</td>
<td>$8,200</td>
<td>$1,900</td>
<td>$13,560</td>
</tr>
<tr>
<td>St. Lawrence Transmission Breaker &amp; Relay Program</td>
<td>$6,988</td>
<td>$5,941</td>
<td>$7,249</td>
<td>$6,576</td>
</tr>
<tr>
<td>Robert Moses Niagara Power Project Life Extension &amp; Modernization Program</td>
<td>$50,198</td>
<td>$51,228</td>
<td>$35,388</td>
<td>$45,655</td>
</tr>
<tr>
<td>Canal Corp</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Lewiston Pump Generating Plant (LPGP) LEM</td>
<td>$50,198</td>
<td>$51,228</td>
<td>$35,388</td>
<td>$45,655</td>
</tr>
<tr>
<td>Total Energy Efficiency</td>
<td>$194,799</td>
<td>$300,000</td>
<td>$315,000</td>
<td>$325,000</td>
</tr>
<tr>
<td>Other</td>
<td>$79,718</td>
<td>$93,970</td>
<td>$66,536</td>
<td>$45,127</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>$493,614</td>
<td>$679,144</td>
<td>$657,280</td>
<td>$646,671</td>
</tr>
</tbody>
</table>

2018-2021 Capital Commitments by Function
(in millions)
Certification of Assumptions and Method of Estimation for Budget and Financial Plan 2018-2021 in accordance with the Comptroller’s Regulation § 203.9 Certification

December 12, 2017

To the Board of Trustees
Power Authority of the State of New York

To the best of my knowledge and belief after reasonable inquiry, I, the undersigned, certify that the “Authority’s Method of Estimation for Budget and Financial Plan 2018-2021” is based on reasonable assumptions and methods of estimation and that the regulations enumerated in Part 203, “Budget and Financial Plan Format, Supporting Documentation and Monitoring - Public Authorities” have been satisfied.

[Signature]
Joseph Kessler
Chief Operating Officer

[Signature]
Robert Lurie
Chief Financial Officer
RESOLUTION

Whereas, Jill C. Anderson, the Executive Vice President for Commercial Operations for the New York Power Authority (NYPA), has been a deeply respected and greatly accomplished leader throughout her eight years of service, and,

Whereas, Ms. Anderson had responsibility for all wholesale and retail operations, oversaw $2 billion in annual revenues from NYPA’s 16 power generation assets, and presided over trading, fuel operations, and hedging, as well as business development for new transmission and generation activities. She also oversaw customer operations that included sales, marketing, new products and technology, the implementation of over $200 million-a-year in energy efficiency sales and administered the Information Technology group, and,

Whereas, Ms. Anderson has also led such critical areas as energy policy, sustainability, corporate communications and public & regulatory affairs. Joining NYPA in 2009, she developed progressive energy policies and clean technology initiatives that are substantially transforming the utility industry throughout New York State. An important milestone of this effort includes one of the nation’s most ambitious large-scale renewable programs, and,

Whereas, guided by her strong professional and personal conviction that climate change is everyone’s business, Ms. Anderson made major strides in developing productive public and private sector partnerships that will help New York to achieve Governor Andrew Cuomo’s mandate of generating 50% of its electricity with renewable resources by 2030, and,

Whereas, Ms. Anderson was a co-author of Governor Cuomo’s New York Energy Highway Blueprint, which served as the primary document of record for upgrading and modernizing the state’s electric power system and making it more resilient to extreme weather events such as Tropical Storms Irene and Lee in 2011 and Super Storm Sandy in 2012. As a result of this well-designed strategy, New York State has made significant strides in this regard and integrating clean energy, and,

Whereas, Ms. Anderson strongly believes the energy industry must welcome a new generation of female engineers and provide them with the skills required for leadership positions. With this most worthwhile goal in mind, she founded “Women in Power” at NYPA, an employee resource group. This popular and dynamic organization enables women at the Power Authority to develop the tools and networking skills necessary to advance their careers, and,

Whereas, as part of this effort to attract well-qualified women to NYPA, Ms. Anderson worked closely with NYPA’s Human Resources Department in designing innovative recruitment strategies and a robust mentoring program. She traveled to every NYPA facility to explain why mentoring and sponsorship are essential for personal and professional growth, and to a corporate culture that encourages innovation and continuous learning, and,

Whereas, Ms. Anderson’s dedication to technological education is also evident in NYPA’s K-Solar program to help school districts in the state install solar power. K-Solar, which includes a STEM (Science, Technology, Engineering and Math) component, will eventually enable thousands of students across New York to develop a much better understanding of the energy challenges in the coming decades, and,

Whereas, Ms. Anderson works with the Girl Scouts on activities designed to encourage young women to pursue careers in technical STEM fields. She has worked with the Girl Scouts Heart of the Hudson, which includes more than 30,000 girls across seven counties in southern New York, and,

Whereas, Ms. Anderson, in recognition of her extraordinary abilities and achievements, serves on the Board of Directors of several organizations, including the Smart Electric Power Alliance, Building Energy Exchange, and Urban Green Council, an affiliate of the U.S. Green Building Council. She was also selected as New York City & State Rising Stars, “40 under 40 class of 2012” and one of the “2015 Women Worth Watching” by Diversity Journal,

Now Therefore Be It Resolved, That the Trustees of the Power Authority of the State of New York express their thanks and gratitude to Jill Anderson for her many achievements and convey to her husband, Jim, and their daughters, Vivian and Clara, sincere wishes for many healthy, happy and rewarding years ahead.