



**Exhibit "C"**  
**March 30, 2021**

**POWER AUTHORITY OF THE STATE OF NEW YORK  
30 SOUTH PEARL STREET  
ALBANY, NY 12207**

**Electric Service Tariff for Neighboring States**  
**Firm Hydroelectric Power and Energy Service**

**Service Tariff No. NS-1**

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## **Schedule of Rates for Firm Hydroelectric Power and Energy Service**

### **I. Applicability**

To sale of Niagara Power Project Firm Hydroelectric Power and Firm Hydroelectric Energy to Neighboring State Customers (capitalized terms defined below).

### **II. Frequently used Abbreviations and Terms**

A. The following abbreviations are used:

kW	kilowatt(s)
kWh	kilowatt-hour(s)
NYPA	New York Power Authority
NYISO	New York Independent System Operator, Inc.

B. The term “Agreement” means contract for the Sale of Hydropower and Energy between Authority and Customer.

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

D. The term “Border” means New York State border.

E. The term “Customer” means the bargaining agent identified in the applicable Agreement with the Authority.

F. The term “Firm Hydroelectric Power” means capacity (kW) from Project, intended to be available at all times except for limitations provided in the Agreement(s), the Rules, this Service Tariff or in other contract documents. Firm Hydroelectric Power shall not include peaking power.

G. The term “Firm Hydroelectric Energy” means energy (kWh) associated with Firm Hydroelectric Power.

H. The term “Neighboring State Customers” means Customer and all other neighboring state bargaining agents that receive service from Project.

I. The term “Project” means the Authority’s hydroelectric facility also known as the Niagara Power Project.

- J. The term “Rules” means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.
- K. The term “Service Tariff” means this Service Tariff No. NS-1.

### III. Monthly Rates and Charges

#### A. Monthly Base Rates

The monthly demand and energy charges paid by Neighboring State Customers to Authority shall be based on the preference power rates charged by Authority, as shown below.

<u>Period</u>	<u>Demand Rate</u> \$/kW-month of contract demand	<u>Energy Rate</u> Mills/kWh
5/1/2013 through 4/30/2014	3.91	4.92
5/1/2014 through 4/30/2021	4.07	4.92
5/1/2021 through 4/30/2022	4.07	4.92

The demand and energy rates set forth above will apply at the Project switchyard.

#### B. Minimum Monthly Charge

The product of the demand rate set forth above and the contract demand.

#### C. Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month.

#### D. Contract Demand

The amounts set forth in the applicable Agreement(s) between Authority and Customer.

#### E. 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 or any successor organization pursuant to its Open Access Transmission Tariff ("OATT") or other tariffs (as the provisions of those tariffs maybe amended and in effect from time to time);

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
2. Marginal losses;
3. The New York Power Authority Transmission Adjustment Charge ("NTAC");
4. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;
5. 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 (as such term is defined in the NYISO OATT) for the Customers that are assessed on the Authority by the NYISO or any successor organization under the provisions of its OATT or under other applicable tariffs; and
6. Any charges assessed on the Authority with respect to 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 NYPA with respect to service to Customers), applicable tariffs or required to be paid by the Authority in accordance with law.

Such NYISO Charges are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

F. Taxes and Other Charges

The charges under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from Customer any rates, taxes, assessments charged to Authority or any other charges mandated by federal, state and local agencies that are levied on the Authority or that the Authority is required to collect from its customers if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.

#### **IV. General Provisions**

General Provisions for service supplementing or modifying the Rules and Regulations for Power Service and this Service Tariff with regard to deliveries to Customer are as follows:

##### **A. Character of Service**

Alternating current, 60 hertz, three-phase.

##### **B. Availability of Energy**

Unless otherwise agreed upon by the Parties, as specified in the applicable Agreement(s), Authority shall normally provide in any billing period Firm Hydroelectric Energy to Customer in an amount equal to the product of (A) the number of hours in such billing period, (B) the contract demand applicable in such billing period and (C) the applicable monthly load factor, as set forth in the applicable Agreement(s). In the event that hydraulic conditions at the Project require the Authority to reduce the amount of Firm Hydroelectric Energy provided to Customer under this Service Tariff to an amount below such normal level, reductions as a percentage of the otherwise required Firm Hydroelectric Energy deliveries will be the same for all firm Authority hydropower customers. The offer of Firm Hydroelectric Energy for delivery pursuant to Section D below shall fulfill Authority's obligations for purposes of this General Provision whether or not the Firm Hydroelectric Energy is taken by Customer.

##### **C. Adjustment of Rates**

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

##### **D. Delivery**

Firm Hydroelectric Power and Firm Hydroelectric Energy supplied under this Service Tariff shall be delivered by Authority at the Project switchyard to the NYISO for delivery to Customer's transmission agent at the Border.

For the purpose of this Service Tariff, Firm Hydroelectric Power and Firm Hydroelectric Energy shall be deemed to be offered when Authority is able to supply Firm Hydroelectric Power and Firm Hydroelectric Energy and NYISO transmits it to its designated points of interconnection with Customer's transmission agent(s). If, despite such offer, there is a failure of delivery by Customer's transmission agents, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Scheduling Procedures

1. Authority will advise Customer or its dispatching agent by the tenth (10<sup>th</sup>) Business Day of the preceding month of the estimated quantity of Firm Hydroelectric Energy expected by Service Tariff to be made available from the Project.
2. Authority may require that such Firm Hydroelectric Energy from the Project be scheduled in general accordance with the load shape of Customer or its dispatching agent or as otherwise agreed upon by the Customer and Authority.
3. Customer or its dispatching agent shall file with Authority pursuant to procedures established by Authority, a daily schedule setting forth the Customer's requested amounts from the Project on a clock hour basis.
4. Subsequent to Authority approval of schedules for any day, Authority and Customer or its dispatching agent may agree on changes in such schedules subject to NYISO scheduling requirements and procedures Authority shall establish such that an efficient dispatch of Authority facilities will be accomplished.

F. Payment by Customer for Firm Hydroelectric Power and Firm Hydroelectric Energy

1. Customer shall pay charges for Firm Hydroelectric Power and Firm Hydroelectric Energy during any billing period the sum of a) and b) below:
  - a. For Firm Hydroelectric Power, the demand rate per kW for Firm Hydroelectric Power specified in this Service Tariff or any modification thereof applied to Customer's contract demand for the billing period: and
  - b. The energy rate specified in this Service Tariff or any modification thereof applied to the amount of Firm Hydroelectric Energy delivered by Authority to Customer during such billing period.
2. 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 Authority. In the event that there is a dispute on any items of a bill rendered by Authority, Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.



G. Supplementary Provision

Sections 454.2 (c) and 454.5 of the Rules are inapplicable to this Service Tariff.

H. Rules and Regulations

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.

## **V. Flow Adjustment Computation ("FAC")**

The Energy charges under this Service Tariff and the applicable Service Tariffs associated with the St. Lawrence Hydroelectric Project, in the aggregate, are subject to a credit or surcharge pursuant to a FAC in any rate year following a calendar year for which the Hydroelectric Project Rate Stabilization Reserve ("RSR") is greater than \$+25 million, or less than \$-25 million, respectively. The RSR will be used to ensure rate stability and cost recovery and its level will be determined and any credit or surcharge for the succeeding rate year will be calculated after the prior calendar year's costs and generation levels are known. Any credit or surcharge will be applied on a uniform basis to the monthly billing statements rendered pursuant to this Service Tariff during the succeeding rate year.

The FAC is inapplicable in any rate year succeeding a calendar year at the end of which the RSR is within the \$+25 million to \$-25 million range. If at the end of any calendar year, the RSR is determined to exceed \$+25 million, such excess amount will be credited pro-rata to Customers during the succeeding rate year pursuant to the FAC. If the RSR at the end of any calendar year is determined to be less than \$-25 million, the difference below \$-25 million will be surcharged pro-rata to Customers during the succeeding rate year pursuant to the FAC.

To the extent that there is a balance in the RSR (positive or negative) on the effective date of service under the applicable Agreement(s), arising out of service under a prior agreement for the sale of Niagara Power Project power and energy, that RSR balance shall be carried forward and maintained as the balance as of the effective date of service under the applicable Agreement(s).



POWER AUTHORITY OF THE STATE OF NEW YORK  
30 SOUTH PEARL STREET  
ALBANY, NY 12207

Electric Service Tariff for Neighboring States  
Firm Hydroelectric Peaking Power and Energy Service

Service Tariff No. NS-2

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## **Schedule of Rates for Firm Peaking Hydroelectric Power and Energy Service**

### **I. Applicability**

To sale of Niagara Power Project Firm Hydroelectric Peaking Power and Energy to Neighboring State Customers (capitalized terms defined below).

### **II. Frequently used Abbreviations and Terms**

A. The following abbreviations are used:

kW	kilowatt(s)
kWh	kilowatt-hour(s)
NYPA	New York Power Authority
NYISO	New York Independent System Operator, Inc.

B. The term “Agreement” means contract for the Sale of Hydropower and Energy between Authority and Customer.

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

D. The term “Border” means New York State border.

E. The term “Customer” means the bargaining agent identified in the applicable Agreement with the Authority.

F. The term “Firm Hydroelectric Peaking Power” means capacity (kW) from Project, intended for use primarily in Customer’s peak load periods and limited as to the Energy to be supplied as set forth in the Agreement(s), the Rules, this Service Tariff or in other contract documents.

G. The term “Firm Hydroelectric Peaking Energy” means energy (kWh) associated with Firm Hydroelectric Peaking Power.

H. The term “Neighboring State Customers” means Customer and all other neighboring state bargaining agents that receive service from Project.

I. The term “Project” means the Authority’s hydroelectric facility also known as the Niagara Power Project.

- J. The term “Rules” means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.
- K. The term Service Tariff” means this Service Tariff No. NS-2.

### III. Monthly Rates and Charges

#### A. Monthly Base Rates

The monthly demand and energy charges paid by Neighboring State Customers to Authority shall be based on the preference power rates charged by Authority, as shown below.

<u>Period</u>	<u>Demand Rate</u> \$/kW-month of contract demand	<u>Energy Rate</u> Mills/kWh
5/1/2013 through 4/30/2014	3.91	4.92
5/1/2014 through 4/30/2021	4.07	4.92
5/1/2021 through 4/30/2022	4.07	4.92

The demand and energy rates set forth above will apply at the Project switchyard.

#### B. Minimum Monthly Charge

The product of the demand rate set forth above and the contract demand.

#### C. Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month.

#### D. Contract Demand

The amounts set forth in the applicable Agreement(s) between Authority and Customer.

#### E. 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 or any successor organization pursuant to its Open Access Transmission Tariff ("OATT") or other tariffs (as the provisions of those tariffs maybe amended and in effect from time to time);

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
2. Marginal losses;
3. The New York Power Authority Transmission Adjustment Charge ("NTAC");
4. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;
5. 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 (as such term is defined in the NYISO OATT) for the Customers that are assessed on the Authority by the NYISO or any successor organization under the provisions of its OATT or under other applicable tariffs; and
6. Any charges assessed on the Authority with respect to 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 NYPA with respect to service to Customers), applicable tariffs or required to be paid by the Authority in accordance with law.

Such NYISO Charges are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

F. Taxes and Other Charges

The charges under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from Customer any rates, taxes, assessments charged to Authority or any other charges mandated by federal, state and local agencies that are levied on the Authority or that the Authority is required to collect from its customers if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.



#### **IV. General Provisions**

General Provisions for service supplementing or modifying the Rules and Regulations for Power Service and this Service Tariff with regard to deliveries to Customer are as follows:

##### **A. Character of Service**

Alternating current, 60 hertz, three-phase.

##### **B. Availability of Energy**

Authority shall normally supply Firm Hydroelectric Peaking Energy to Customer at 12.5 percent (12.5%) monthly load factor consistent with the Section E below. In the event that hydraulic conditions at Authority's hydroelectric generating stations require the Authority to reduce the amount of Firm Hydroelectric Peaking Energy provided to Customer under this Service Tariff to an amount below such normal level, reductions shall be applied to all Customers served under this Service Tariff in proportion to their relative allocations of Firm Hydroelectric Peaking Power and Energy.

The offer of Firm Hydroelectric Peaking Energy for delivery pursuant to Section D below shall fulfill Authority's obligations for purposes of this General Provision whether or not the Firm Hydroelectric Peaking Energy is taken by Customer.

##### **C. Adjustment of Rates**

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

##### **D. Delivery**

Firm Hydroelectric Peaking Power and Firm Hydroelectric Peaking Energy supplied under this Service Tariff shall be delivered by Authority at the Project switchyard to the NYISO for delivery to Customer's transmission agent at the Border.

For the purpose of this Service Tariff, Firm Hydroelectric Peaking Power and Firm Hydroelectric Peaking Energy shall be deemed to be offered when Authority is able to supply Firm Hydroelectric Peaking Power and Firm Hydroelectric Peaking Energy and NYISO transmits it to its designated points of interconnection with Customer's transmission agent(s). If, despite such offer,

there is a failure of delivery by Customer's transmission agents, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Scheduling Procedures

1. Authority will advise Customer or its dispatching agent by the tenth (10<sup>th</sup>) Business Day of the preceding month of the estimated quantity of Firm Hydroelectric Peaking Energy expected by Service Tariff to be made available from the Project.
2. Authority may require that such Firm Hydroelectric Peaking Energy from the Project be scheduled in general accordance with the load shape of Customer or its dispatching agent or as otherwise agreed upon by the Customer and Authority.
3. Customer or its dispatching agent shall file with Authority pursuant to procedures established by Authority, a daily schedule setting forth the Customer's requested amounts from the Project on a clock hour basis.

4. Subsequent to Authority approval of schedules for any day, Authority and Customer or its dispatching agent may agree on changes in such schedules subject to NYISO scheduling requirements and procedures Authority shall establish such that an efficient dispatch of Authority facilities will be accomplished.

F. Payment by Customer for Firm Hydroelectric Peaking Power and Firm Hydroelectric Peaking Energy

1. Customer shall pay for Firm Hydroelectric Peaking Power and Energy during any billing period the sum of a) and b) below:
  - a. For Firm Hydroelectric Peaking Power, the demand rate per kW for Firm Peaking Hydroelectric Power specified in this Service Tariff or any modification thereof applied to Customer's contract demand for the billing period: and
  - b. The energy rate specified in this Service Tariff or any modification thereof applied to the amount of Firm Hydroelectric Peaking Energy delivered by Authority to Customer during such billing period.
2. 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 Authority. In the event that there is a dispute on any items of a bill rendered by Authority, Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Supplementary Provision

Sections 454.2 (c) and 454.5 of the Rules are inapplicable to this Service Tariff.

H. Rules and Regulations

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.

## **V. Flow Adjustment Computation ("FAC")**

The Energy charges under this Service Tariff and the applicable Service Tariffs associated with the St. Lawrence Hydroelectric Project, in the aggregate, are subject to a credit or surcharge pursuant to a FAC in any rate year following a calendar year for which the Hydroelectric Project Rate Stabilization Reserve ("RSR") is greater than \$+25 million, or less than \$-25 million, respectively. The RSR will be used to ensure rate stability and cost recovery and its level will be determined and any credit or surcharge for the succeeding rate year will be calculated after the prior calendar year's costs and generation levels are known. Any credit or surcharge will be applied on a uniform basis to the monthly billing statements rendered pursuant to this Service Tariff during the succeeding rate year.

The FAC is inapplicable in any rate year succeeding a calendar year at the end of which the RSR is within the \$+25 million to \$-25 million range. If at the end of any calendar year, the RSR is determined to exceed \$+25 million, such excess amount will be credited pro-rata to Customers during the succeeding rate year pursuant to the FAC. If the RSR at the end of any calendar year is determined to be less than \$-25 million, the difference below \$-25 million will be surcharged pro-rata to Customers during the succeeding rate year pursuant to the FAC.

To the extent that there is a balance in the RSR (positive or negative) on the effective date of service under the applicable Agreement(s), arising out of service under a prior agreement for the sale of Niagara Power Project power and energy, that RSR balance shall be carried forward and maintained as the balance as of the effective date of service under the applicable Agreement(s).



POWER AUTHORITY OF THE STATE OF NEW YORK  
30 SOUTH PEARL STREET  
ALBANY, NY 12207

Electric Service Tariff for Neighboring States  
Non-Firm Hydroelectric Energy Service

Service Tariff No. NS-3

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<b>Schedule of Rates for Non-Firm Hydroelectric Energy Service</b>		<b>Leaf No.</b>
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	C. Billing Period	4
	D. NYISO Transmission and Related Charges	4
	E. Taxes and Other Charges	5
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## **Schedule of Rates for Non-Firm Hydroelectric Energy Service**

### **I. Applicability**

To sale of Niagara Power Project Non-Firm Hydroelectric Energy to Neighboring State Customers (capitalized terms defined below).

### **II. Frequently used Abbreviations and Terms**

A. The following abbreviations are used:

kWh	kilowatt-hour(s)
NYPA	New York Power Authority
NYISO	New York Independent System Operator, Inc.

B. The term “Agreement” means contract for the Sale of Hydropower and Energy between Authority and Customer.

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

D. The Term “Border” means New York State border.

E. The term “Customer” means the bargaining agent identified in the applicable Agreement with the Authority.

F. The term “Non-Firm Hydroelectric Energy” means all energy from Project that is in addition to the energy associated with Firm Hydroelectric Power and Firm Hydroelectric Energy and Firm Hydroelectric Peaking Power and Firm Hydroelectric Peaking Energy, that is available from time to time, and that is subject to interruption for extended periods because of decreased water flows or other system conditions.

G. The term “Neighboring State Customers” means Customer and all other neighboring state bargaining agents that receive service from Project.

H. The term “Project” means the Authority’s hydroelectric facility also known as the Niagara Power Project.

I. The term “Rules” means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.

J. The term “Service Tariff” means this Service Tariff No. NS-3.

### III. Monthly Rates and Charges

#### A. Monthly Base Rate

The monthly energy charge paid by Neighboring State Customers to Authority shall be based on the preference energy rate charged by Authority, as shown below. **[rate table below to be updated]**

<u>Effective Date</u>	<u>Energy Rate</u> Mills/kWh
5/1/2008	4.92

The energy rate set forth above will apply at the Project switchyard.

#### B. Minimum Monthly Charge

None.

#### C. Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month.

#### D. 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 or any successor organization pursuant to its Open Access Transmission Tariff ("OATT") or other tariffs (as the provisions of those tariffs maybe amended and in effect from time to time);

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
2. Marginal losses;
3. The New York Power Authority Transmission Adjustment Charge ("NTAC");



4. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;
5. 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 (as such term is defined in the NYISO OATT) for the Customers that are assessed on the Authority by the NYISO or any successor organization under the provisions of its OATT or under other applicable tariffs; and
6. Any charges assessed on the Authority with respect to 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 NYPA with respect to service to Customers), applicable tariffs or required to be paid by the Authority in accordance with law.

Such NYISO Charges are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

E. Taxes and Other Charges

The charges under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from Customer any rates, taxes, assessments charged to Authority or any other charges mandated by federal, state and local agencies that are levied on the Authority or that the Authority is required to collect from its customers if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.

#### **IV. General Provisions**

General Provisions for service supplementing or modifying the Rules and Regulations for Power Service and this Service Tariff with regard to deliveries to Customer are as follows:

##### **A. Character of Service**

Alternating current, 60 hertz, three-phase.

##### **B. Availability of Energy**

Non-Firm Hydroelectric Energy will be subject to its availability as determined by Authority. The offer of Non-Firm Hydroelectric Energy for delivery pursuant to Section D below shall fulfill Authority's obligations for purposes of this general provision whether or not the Non-Firm Hydroelectric Energy is taken by Customer.

##### **C. Adjustment of Rates**

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

##### **D. Delivery**

Non-Firm Hydroelectric Energy supplied under this Service Tariff shall be delivered by Authority at the Project switchyard to the NYISO for delivery to Customer's transmission agent at the Border.

For the purpose of this Service Tariff, Non-Firm Hydroelectric Energy shall be deemed to be offered when Authority is able to supply Non-Firm Hydroelectric Energy and NYISO transmits it to its designated points of interconnection with Customer's transmission agent(s). If, despite such offer, there is a failure of delivery by Customer transmission agents, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

##### **E. Scheduling Procedures**

1. Authority will advise Customer or its dispatching agent by the tenth (10<sup>th</sup>) Business Day of the preceding month of the estimated quantity of Non-Firm Hydroelectric Energy expected by Service Tariff to be made available from the Project.

2. Authority may require that such Non-Firm Hydroelectric Energy from the Project be scheduled in general accordance with the load shape of Customer or its dispatching agent or as otherwise agreed upon by the Customer and Authority.
3. Customer or its dispatching agent shall file with Authority pursuant to procedures established by Authority, a daily schedule setting forth the Customer's requested amounts from the Project on a clock hour basis.
4. Subsequent to Authority approval of schedules for any day, Authority and Customer or its dispatching agent may agree on changes in such schedules subject to NYISO scheduling requirements and procedures Authority shall establish such that an efficient dispatch of Authority facilities will be accomplished.

F. Payment by Customer for Non-Firm Hydroelectric Energy

1. Customer shall pay for Non-Firm Hydroelectric Energy the energy rate specified in this Service Tariff or any modification thereof applied to the amount of Non-Firm Hydroelectric Energy delivered by Authority to Customer during such billing period.
2. 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 Authority. In the event that there is a dispute on any items of a bill rendered by Authority, Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Supplementary Provision

Sections 454.2 (c) and 454.5 of the Rules are inapplicable to this Service Tariff.

H. Rules and Regulations

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.

## **V. Flow Adjustment Computation (“FAC”)**

The Energy charges under this Service Tariff and the applicable Service Tariffs associated with the St. Lawrence Hydroelectric Project, in the aggregate, are subject to a credit or surcharge pursuant to a FAC in any rate year following a calendar year for which the Hydroelectric Project Rate Stabilization Reserve (“RSR”) is greater than \$+25 million, or less than \$-25 million, respectively. The RSR will be used to ensure rate stability and cost recovery and its level will be determined and any credit or surcharge for the succeeding rate year will be calculated after the prior calendar year’s costs and generation levels are known. Any credit or surcharge will be applied on a uniform basis to the monthly billing statements rendered pursuant to this Service Tariff during the succeeding rate year.

The FAC is inapplicable in any rate year succeeding a calendar year at the end of which the RSR is within the \$+25 million to \$-25 million range. If at the end of any calendar year, the RSR is determined to exceed \$+25 million, such excess amount will be credited pro-rata to Customers during the succeeding rate year pursuant to the FAC. If the RSR at the end of any calendar year is determined to be less than \$-25 million, the difference below \$-25 million will be surcharged pro-rata to Customers during the succeeding rate year pursuant to the FAC.

To the extent that there is a balance in the RSR (positive or negative) on the effective date of service under the applicable Agreement(s), arising out of service under a prior agreement for the sale of Niagara Power Project power and energy, that RSR balance shall be carried forward and maintained as the balance as of the effective date of service under the applicable Agreement(s).