

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

July 28, 1998

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Minutes of the regular meeting of the Power Authority of the State of New York held at the St. Lawrence/FDR Power Plant at 11:00 a.m.

Present: Clarence D. Rappleyea, Chairman
Hyman M. Miller, Trustee
Louis P. Ciminelli, Trustee
Frank S. McCullough, Jr., Trustee
Gerard D. DiMarco, Trustee

Eugene W. Zeltmann	President and Chief Operating Officer
David E. Blabey	Executive Vice President, Secretary and General Counsel
Peter W. Delaney	Executive Vice President and Chief Financial Officer
Robert A. Hiney	Executive Vice President - Project Operations
James Knubel	Senior Vice President – Chief Nuclear Officer
Louise M. Morman	Senior Vice President – Marketing and Economic Development
Robert L. Tscherne	Senior Vice President – Energy Services and Technology
Vincent Vesce	Senior Vice President - Human Resources
Russell Krauss	Chief Information Officer
Daniel Berical	Vice President – Policy and Governmental Affairs
Woodrow W. Crouch	Vice President – Project Management
John M. Hoff	Vice President – Procurement and Real Estate
Michael Petralia	Vice President – Public Affairs
Stephen P. Shoenholz	Deputy Vice President - Public Relations
Carmine J. Clemente	Deputy General Counsel
Gary Paslow	Executive Director – Policy Development
Ronald W. Ciamaga	Regional Manager – Northern New York
Joseph J. Brennan	Director – Internal Audit
John B. Hamor	Director – Intergovernmental Relations
John L. Murphy	Director - Public Information
John Suloway	Director - Licensing
James H. Yates	Director - Business Marketing & Economic Development
George W. Collins	Treasurer
Anne Wagner-Findeisen	Deputy Secretary
Vernadine Quan-Soon	Assistant Secretary

Chairman Rappleyea presided over the meeting. Executive Vice President, Secretary and General Counsel Blabey kept the Minutes.

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1. Approval of the Minutes

The minutes of the Regular Meeting held on June 30, 1998, and the Special Meeting held on July 7, 1998 were approved.

Comments of Chairman and Chief Executive Officer

Chairman Rappleyea welcomed Trustee Gerard DiMarco to the Authority and, on behalf of all of the Trustees, extended a warm welcome to Senator Maziarz and other elected officials who were in attendance at the meeting.

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2. **Financial Report for the Six Months Ended June 30, 1998**

Trustee Miller complimented Mr. Delaney and staff on the successful recouping of the \$9 million loan which had been extended to LIPA last year.

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3. Report from the President and Chief Operating Officer

At President Zeltmann's request, Mr. Krauss briefed the Trustees on the current status and developments in the ongoing Year 2000 Program effort. In response to questions from Trustee Miller concerning the status of computer systems which Mr. Krauss had described as "unknown" in his report, Mr. Krauss explained that it is a default group containing those component systems which have not yet been tested and determined to be either Y2K compliant or non-compliant as part of the ongoing assessment phase. In response to further questions from Trustee Miller concerning sharing of Y2K information between nuclear plants, Mr. Krauss explained that IP3 and IP2 are, in fact, engaged in an extensive cooperative effort and are exchanging components of inventory on design bases. In response to questions from Trustee Ciminelli, Mr. Krauss explained that in view of recent federal initiatives, including a "Good Samaritan" proposal which would protect companies from antitrust prosecution for sharing Y2K information, the degree of inter-company cooperation is anticipated to increase.

President Zeltmann recalled the extraordinary efforts of the St. Lawrence staff to effectuate repairs during last winter's severe ice storm, and thanked and complimented project staff on having restored the facility itself to its original beauty following extensive winter damage to the landscape. President Zeltmann also complimented Mr. Ciamaga and Project personnel for a successful and effective commemoration of the 40th anniversary of the St. Lawrence/FDR Project.

4. Request to Approve an Extension of Existing Expansion Power to Ralston Purina Company, an Existing Customer

The President submitted the following report:

SUMMARY

“The Trustees are requested to approve an extension of nine hundred (900) kilowatts of existing Expansion Power in Chautauqua County, to Ralston Purina Company (‘Ralston’), an existing customer, for the purpose of revitalization.

BACKGROUND

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

“Each application for an Expansion Power allocation must be evaluated under criteria which include, but need not be limited to, those set forth in PAL Section 1005 (13) (a) which sets forth the eligibility and (b) which sets forth the criteria for revitalization.

“Among the factors to be considered when evaluating a request for revitalization purposes are that the business is likely to partially close or relocate resulting in loss of jobs; the business is an important employer in the community; and the business has pursued other available sources of assistance to reduce energy costs.

DISCUSSION

“Ralston, the world’s largest producer of dry dog and dry and soft-moist cat foods, manufactures a full line of dog and cat food products in Dunkirk, New York. Ralston is an existing customer which receives a 2,000 kilowatt revitalization allocation initiated in August 1991. The company is constantly under pressure to remain competitive with other Ralston facilities that produce the same products as the Dunkirk facility. Company policy dictates ongoing evaluation of all fixed and variable costs and assigns production volume on a least-delivered-cost basis. With at least 270 jobs in Dunkirk, Ralston is one of the few cornerstone industries in the area.

“A recommended extension of 900 kilowatts will yield an average power cost that is comparable to competing facilities and is estimated to save the company over \$255,000 annually over Niagara Mohawk’s current rates.

“Ralston currently has two allocations of Expansion Power, 2,000 kilowatts and 900 kilowatts, both being used at the Dunkirk facility. The 2,000 kilowatt allocation is under a contract which terminates in the year 2001 and has a job commitment of 286. The 900 kilowatt allocation terminates July 31, 1998. The company will commit to maintain its current employment commitment of 286 jobs in return for this extension.

“Staff recommends the Trustees’ approval to extend the 900 kilowatts of Expansion Power for revitalization purposes to Ralston. The approval is appropriate and will help to maintain the reduced costs which will enable Ralston to compete more effectively. In addition, it will further secure the employment levels in

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Dunkirk. The request is supported by the Chautauqua County Industrial Development Agency and the Niagara Mohawk Power Corporation.

“As the 900 kilowatt allocation will expire at the end of this month, staff is recommending the approval of an extension for a term of ten years, terminating July 31, 2008.

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

RECOMMENDATION

“The Manager - Business Power Allocations and Compliance recommends that the Trustees approve the extension of nine hundred (900) kilowatts of Expansion Power for revitalization purposes to the Ralston Purina Company.

“The Senior Vice President - Marketing and Economic Development, the Executive Vice President, Secretary and General Counsel, and I concur in the recommendation.”

The attached resolution, as recommended by the President, was unanimously adopted.

RESOLVED, That the Trustees find that the application and staff's review support an extension of nine hundred (900) kilowatts of Expansion Power for revitalization purposes to Ralston Purina Company, and that such extension be, and hereby is, approved on the terms set forth in the foregoing report of the President; and be it further

RESOLVED, That the Senior Vice President - Marketing and Economic Development or her designee be, and hereby is authorized, subject to approval of the form thereof by the Executive Vice President, Secretary and General Counsel, to execute any and all documents necessary or desirable to effectuate the above extension.

**5. James A. FitzPatrick Nuclear Power Plant -
Emergency Core Cooling System Suction
Strainer - Expenditure Authorization**

The President submitted the following report:

SUMMARY

“The Trustees are requested to approve a capital expenditure of an additional \$4.25 million to fund supplemental engineering, procurement and installation activities related to the replacement strainers to upgrade the existing Emergency Core Cooling System (‘ECCS’) at the James A. FitzPatrick Nuclear Power Plant (‘JAF’). The new strainers will be installed to meet criteria imposed by the Nuclear Regulatory Commission (‘NRC’) to assure these strainers are sufficiently sized not to become plugged with debris during an accident condition. All nuclear power plants with a Boiling Water Reactor design are required to meet the NRC’s criteria of being able to filter accident generated debris within the torus and still maintain a sufficient flow of cooling water to the reactor during these accident conditions. These criteria must be met before the plant can restart from the upcoming October 1998 Refueling Outage.

BACKGROUND

“At their meeting of November 25, 1997, the Trustees previously approved an expenditure of \$8.75 million for the replacement of the ECCS strainers. Since that approval, the project has benefited from the experience of other utilities, which have performed similar installations, and the information gained from performing detailed engineering. It was subsequently determined that the preliminary strainer design was too small and needed to be enlarged to meet the NRC requirements. The strainers on the High Pressure Coolant Injection (‘HPCI’) System and the Reactor Core Isolation Cooling (‘RCIC’) System were also determined to need replacement. The experience of other utilities which have completed similar projects has also influenced the method of installation and the management of the water within the torus.

DISCUSSION

“The strainers initially proposed for the Residual Heat Removal system were to be 16 feet in length. The detailed engineering effort has since determined that there could be significantly more fibrous insulation within the drywell than previously calculated; this increases the length of the ECCS strainers to 45 feet. The incremental cost associated with this change is \$1.2 million for the Residual Heat Removal and Core Spray strainer and strainer support fabrication. Along with these strainers being substantially larger, the HPCI and RCIC strainers must also be replaced to assure that those systems function as designed during an accident scenario, at an incremental cost of \$200,000. Significant engineering issues have increased both contractual engineering expenses and the Authority’s engineering reviews, adding \$750,000 to the project for calculations associated with debris types and quantities, torus-attached-piping, and supports.

“The strainers will be installed within the torus, which is a cylindrical water storage tank approximately 30 feet in diameter holding 800,000 gallons of water. The initial design, based on 16-foot long strainers, would have allowed installation by divers with water in the torus. To reduce the length of the outage and facilitate the installation of the larger strainers, it has been determined the water should be removed from the torus. Removing and storing the torus water allows the installation cost to be minimized and the outage duration to be as short as possible. Approximately 600,000 gallons of water will be removed, processed and returned to the

torus following strainer installation. The added cost for water management, decontamination of the torus structure, construction supervision and temporary services will be \$2.1 million

FISCAL INFORMATION

“Payment for expenses associated with this project will be made from the Capital Fund.

RECOMMENDATION

“The Site Executive Officer - James A. FitzPatrick Nuclear Power Plant, the Vice President - Nuclear Engineering, and the Vice President - Procurement and Real Estate recommend that the Trustees approve an additional capital expenditure in the amount of \$4.25 million for the Emergency Core Cooling System Suction Strainer Replacement.

“The Vice President - Controller, the Chief Nuclear Officer, the Executive Vice President, Secretary and General Counsel, the Executive Vice President and Chief Financial Officer, the Executive Vice President - Project Operations, and I concur in the recommendation.”

Trustee McCullough inquired whether the NRC’s requirements had changed since the time of the Trustees’ initial approval. Mr. Phy responded in the negative, and explained that although the regulatory requirements had remained unchanged, the NRC’s acceptance criteria have evolved; in addition, during the Authority’s own detailed engineering phase for the strainer project, it became apparent that the strainers needed to be a larger size in order to adequately fulfill their intended function.

The attached resolution, as recommended by the President, was unanimously adopted.

RESOLVED, That additional capital expenditures are hereby approved in accordance with the Authority's Expenditure Authorization Procedures, as recommended in the foregoing report to the President, in the amount and for the purpose listed below:

<u>Capital</u>	<u>Expenditure Authorization</u>
James A. Fitzpatrick Nuclear Power Plant	
Emergency Core Cooling Systems Suction Strainer Replacement Project	
Previous Authorization (11/25/97)	\$ 8,750,000
Current Request	<u>4,250,000</u>
TOTAL AMOUNT AUTHORIZED	<u>\$13,000,000</u>

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6. St. Lawrence/FDR Power Project - Life Extension and Modernization Expenditure Authorization – Turbine Replacement Contract - GEC-Alsthom – Award

The President submitted the following report:

SUMMARY

“The Trustees are requested to authorize an additional expenditure of \$16.2 million for modernization of the first unit of the St. Lawrence-F.D. Roosevelt (‘St. Lawrence’) Power Project Life Extension and Modernization Program. The Trustees are also requested to approve the award of a contract to GEC-Alsthom in the amount of \$11.3 million for replacement of eight turbine runners, and to release \$2.3 million to GEC-Alsthom for model development, testing, and manufacture and overhaul of the first turbine.

BACKGROUND

“At their meeting of November 25, 1997, the Trustees reviewed a program estimated to cost \$254,000,000 to renew the generation assets of the St. Lawrence Project and specifically authorized capital expenditures of \$2,211,000 to begin the engineering effort and to continue refurbishment tasks in progress. The Trustees were advised that the Life Extension and Modernization program was planned to begin in 1998 and would require about 15 years to complete.

“The Trustees were also advised that in mid-1998, subsequent to presentation of the life extension program to the Cooperative Consultation Process Team and discussion with the Federal Energy Regulatory Commission (‘FERC’), approval would be requested for the program, which would include modernization of the first unit, and design, manufacture, and installation of a prototype.

‘Subsequent to the November 25, 1997 Trustee action, Authority staff began planning and preliminary engineering to support a fall 2000 start date for overhauling the first unit. In June 1998, FERC advised that Commission approval is not required for the proposed work.

“Planning and engineering are now in varying stages of implementation for the new turbines, transformers, exciters, circuit breakers, unit automation, rotor poles, stator coolers, and ancillary structure modifications. The Trustees are requested to approve the funding for components associated with modernization of the first unit. The Trustees are also requested to approve the award of a contract for eight new turbines to GEC Alsthom as explained below.

DISCUSSION

“A request for proposals (‘RFP’) was issued on March 11, 1998 describing the scope of design, testing, manufacturing, and field machining for the new turbines. The RFP limited the replacement turbine to six blades for environmental reasons, but allowed considerable latitude in the modification of embedded components. The RFP required the bidder to specify efficiency guarantees for the prototype.

“On May 4, 1998, proposals were received from four bidders in response to public advertisement. The four as-received prices are summarized below:

	Sulzer Base (Non Firm)	Sulzer Alternate (Non Firm)	Voith- Hydro (Non Firm)	American Hydro (Firm)	GEC Alstom (Firm)
BID PRICE	\$22,538,756	\$24,879,372	\$21,745,000	\$15,249,960	\$11,344,090
ENERGY VALUE	\$64,365,000	\$75,800,000	\$74,800,000	\$66,000,000	\$69,200,000

“The increased efficiency of the new turbines will result in more energy being produced using the same amount of water. The energy value is the estimated value of the additional energy in 1998 dollars, which would be produced by the bidder’s design over the life of the new turbines.

“An Evaluation Committee with representatives from the St. Lawrence Project, and Procurement, Engineering, Quality Assurance, and Project Management division analyzed the bids, met with the bidders to obtain additional information, and reviewed all the pertinent factors to determine the lowest evaluated and technically qualified proposal.

Sulzer

“Sulzer submitted a base and alternate proposal. Its base proposal would result in the smallest efficiency gain and second highest direct cost. Its price was not firm and its proposal would require significant modifications to the stay vanes and draft tubes, which would require additional expenditures by the Authority to support. The base proposal was therefore not given further consideration.

“Sulzer’s alternate proposal would result in a higher efficiency than the base, but also required modifications to the draft tubes. This additional cost, together with Sulzer’s lack of firm prices, significantly increased the cost of its alternate bid. Accordingly, the alternate Sulzer proposal was not considered further either.

Voith Hydro, Inc.

“Voith Hydro’s (‘Voith’s’) proposal is based upon maintaining the existing discharge ring diameter and modifying the existing stay vanes by welding new inlet edge shapes along the vertical length of the vanes to improve hydraulic performance. Voith would manufacture new blades from stainless steel plate and cast new hubs. Its design would result in a peak efficiency gain of 3% to 4% above the peak efficiency of the existing units. Its laboratory for testing models is well regarded, and Voith has designed and manufactured a large number of propeller type turbines comparable to St. Lawrence. Its prices, however, were not firm and were the highest among the remaining bidders. Voith was therefore eliminated from further consideration.

American-Hydro, Inc.

“American Hydro’s (‘AH’s’) proposal would require the removal of the existing discharge ring and increasing the existing throat diameter. AH would also manufacture new blades from plate steel and cast new hubs. Its design would result in a peak efficiency gain of 2% to 3% above the peak efficiency of the existing units. The laboratories it proposed for testing the runner models are proven hydraulic model testing facilities. AH has good experience in the design of propeller type turbines. AH indicated that it could meet the Authority’s schedule and it provided firm prices. AH’s prices are higher, however, because of its approach to the discharge ring work, and it listed a significant number of commercial and technical exceptions.

GEC-Alsthom

“GEC-Alsthom’s (‘GEC’s’) proposal is based upon maintaining the existing discharge ring diameter with no modifications to embedded components except to install the stainless steel insert in the discharge ring as required by the Authority’s specification. GEC’s new runner would be lighter than the others proposed and would be manufactured entirely from cast stainless steel. Its design would result in a peak efficiency gain of 2.4% to 3.4% above that of the existing units. GEC’s laboratory for model testing is also a proven hydraulic turbine model testing facility.

“GEC based its proposal on the fabrication of one model. Its manufacturing and field machining costs are the lowest of all bidders, and its prices are firm, it would meet the Authority’s schedule, and listed minor commercial exceptions.

“The Evaluation Committee pursued resolution of issues on model testing, runner geometry, and associated topics with GEC. The Committee determined that with potential changes to the model optimization, runner geometry, and discharge ring design, an amount of up to \$650,000 above GEC’s base proposal could be expended. Even with this additional expenditure, GEC’s proposal would remain approximately \$3.2 million lower than American Hydro’s and would provide slightly higher performance guarantees. The potential changes would result in an estimated contract value of \$11,994,090 and would not change GEC’s ranking.

“Accordingly, based upon GEC’s lower price and technically acceptable proposal, the Trustees are requested to approve award of the contract for replacement of the first eight turbines to GEC Alsthom. The Trustees are also requested to release funding for the first runner and associated work.

FISCAL INFORMATION

“Payments for expenses associated with this project will be made from the Capital Fund.

RECOMMENDATION

“The Regional Manager – Northern New York, the Vice President and Chief Engineer- Power Generation, the Vice President – Procurement, and the Vice President – Project Management recommend that the Trustees authorize capital funding of \$16.2 million for the first unit of the life extension and modernization of the St. Lawrence-F. D. Roosevelt Power Project, approve the award of a contract in the amount of \$11,334,090 to GEC Alsthom, and approve release of \$2,289,860 to GEC Alsthom for the first turbine runner and associated work.

“The Executive Vice President, Secretary and General Counsel, the Executive Vice President – Project Operations, the Executive Vice President – Chief Financial Officer, and I concur in the recommendation.”

Mr. Hiney explained that the criteria against which the bids received had been evaluated included both the dollar bid price and the "energy value," which in a hydroelectric plant translates directly into revenues. In response to questions from Trustee Ciminelli, Mr. Hiney explained that the "spread" between the bid prices related in part to the size of the equipment proposed by the various bidders and that a greater size

and/or weight for the proposed units would not necessarily translate into longer life for the units. Mr. Crouch added that NYPA staff had studied the relative weights of potential component materials such as stainless steel and had also performed model testing, and had concluded that the proposed GEC solution would last as long as the larger unit proposed by Voith. In response to questions from Trustee Miller, Mr. Hiney stated that the GEC firm is known worldwide, and that the Authority had previously employed GEC for other work, and, in particular, had found the work performed by GEC at Lewiston to be outstanding.

The attached resolution, as recommended by the President, was unanimously adopted.

RESOLVED, That capital expenditures are hereby approved to be committed in accordance with the Authority’s Expenditure Authorization Procedures for the Life Extension and Modernization of the St. Lawrence-F. D. Roosevelt Power Project in the amounts listed below:

<u>Description</u>	<u>Current Estimate</u>	<u>Previous Authorization</u>	<u>Current Request</u>
Engineering & Construction Management	\$ 36,871,000	\$1,415,000	\$ 3,011,000
Procurement	\$100,461,000	\$ 506,000	\$ 7,369,000
Construction	\$ 93,180,000	\$ 543,000	\$ 4,340,000
Authority Direct/Indirect	<u>\$ 23,627,000</u>	<u>\$ 206,000</u>	<u>\$ 1,509,000</u>
	<u>\$254,139,000</u>	<u>\$2,670,000</u>	<u>\$16,229,000</u>

AND BE IT FURTHER RESOLVED, That approval is hereby granted to award a contract to GEC Alstom in the amount listed below and to commit funds for the eight new turbines and associated work for the Life Extension and Modernization of the St. Lawrence-F. D. Roosevelt Power Project, in the amount listed below:

<u>Capital</u>	<u>Contract Approval</u>
GEC Alstom Power Generation Contract No. C98 Z0045	
Total Contract Award Amount	\$11,344,090
Current Commitment Authorization Request	<u>2,289,860</u>
Balance of Contract	<u>\$ 9,054,230</u>

AND BE IT FURTHER RESOLVED, That it is hereby authorized that up to \$16,229,000 of General Reserve Account monies be withdrawn from such account and utilized for making the payments in the attached President’s Memorandum; and be it further

RESOLVED, That such monies be withdrawn from the General Reserve Account as are not required for any of the purposes specified in Paragraphs (1)-(4) of Section 512 of the General Purpose Bond Resolution adopted on November 26, 1974, as amended and supplemented.

7. Procurement (Services) Contract - SENY HELP - Case Contracting, Ltd. - Award

The President submitted the following report:

SUMMARY

“The Trustees are requested to approve the award of a procurement (services) contract to the firm of Case Contracting, Ltd. for labor to install energy-efficient lighting fixtures for previously the approved SENY HELP New York City Transit Authority (‘NYCTA’) Tunnel Lighting Project. The contract is for a period of three years. Funding for this contract, totaling \$2,446,350, is already included in the previously approved SENY HELP.

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 NYCTA Tunnel Lighting Project involves retrofitting approximately 17,000 light fixtures throughout the subway system. The conversion of existing 80-watt mercury vapor luminaries to new 20-watt compact fluorescent units will save the NYCTA approximately \$629,000 annually. The Authority has worked closely with the NYCTA over the last three years in development of the technologies utilized in this project (prototypes were installed in March 1996).

DISCUSSION

“In September, 1997, Authority staff requested bids for labor from ten electrical contracting firms recognized for their experience in installation of energy-efficient lighting equipment. Eight additional bidders were added to the list as a result of the Authority’s announcements in the Contract Reporter.

“A bidders’ conference was held on November 14, 1997, to explain the proposed scope of work and provide an opportunity for potential bidders to ask questions and seek clarification. After the conference, a walk-through was conducted to view the prototype subway tunnel lighting that was installed. Six firms attended the conference and walk-through.

“On February 20, 1998, two firms submitted bids; Case Contracting Ltd. for \$2,446,350 and ADCO Electrical Corp. for \$2,935,250. These bids were analyzed and evaluated. As a result, staff recommends awarding the contract to Case Contracting, Ltd. (lowest bidder).

FISCAL INFORMATION

“As previously authorized by the Trustees at their meetings of December 21, 1989, December 15, 1992, September 27, 1995 and June 25, 1996, expenditures for implementation services will be paid from the Energy Conservation Effectuation and Construction Fund in an amount not to exceed \$130 million (\$130,000,000). These costs, together with the cost of advancing funds and Authority program costs, will be recovered directly from participants within ten years after completing each individual energy efficiency project.

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RECOMMENDATION

“The Senior Vice President – Energy Services and Technology recommends that the Trustees authorize the award for labor to Case Contracting, Ltd., in the amount of \$2,446,350 for a period of three years.

“The Executive Vice President, Secretary and General Counsel, the Executive Vice President and Chief Financial Officer, the Executive Vice President – Project Operations, and I concur in the recommendation.”

The attached resolution, as recommended by the President, was unanimously adopted.

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a contract, subject to approval as to form by the Executive Vice President, Secretary and General Counsel, for a period of three years commencing November 1, 1998, to Case Contracting, Ltd. to provide installation services in connection with High Efficiency Lighting Program – New York City Transit Authority Tunnel Lighting Project, as recommended in the foregoing report of the President, in the amounts and for the purpose listed below:

<u>O&M</u>	<u>Contract Approval</u>	<u>Projected Closing Date</u>
NYCTA Tunnel Lighting Project Installation Services		
Case Contracting, Ltd.	\$2,446,350	11/01/01

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8. Next Meeting

The Regular meeting of the Trustees will be held on **Tuesday, August 25, 1998, at the Niagara Power Project, Lewiston, NY at 11:00 a.m.**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

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Closing

'Upon motion made and seconded, the meeting was closed at 11:45 a.m.'

David E. Blabey
Executive Vice President,
Secretary and General Counsel

JULYMINS.98