

Date: March 29, 2016

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Annual Review and Approval of Guidelines for the Investment of Funds and 2015 Annual Report on Investment of Authority Funds

SUMMARY

The Trustees are requested to review and approve the attached 2015 Annual Report on Investment of Authority Funds, which includes the Guidelines for the Investment of Funds (Exhibit "A").

BACKGROUND

Section 2925 of the Public Authorities Law requires the review and approval of an annual report on investments. Pursuant to the statute, the attached report includes Investment Guidelines that set standards for the management and control of the Authority's investments; total investment income; a statement of fees paid for investment management services; the results of an independent audit; a detailed inventory report for each of the Authority's investment portfolios as of December 31, 2015; and a summary of transactions with brokers, dealers and banks. The approved annual report is filed with the State Division of the Budget, with copies to the Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. The report is also available to the public upon written request.

DISCUSSION

1. Overview of 2015 Annual Report on Investment of Authority Funds

In 2015, the Authority's investment portfolios, exclusive of the separately managed Other Post-Employment Benefits Trust Fund and Nuclear Decommissioning Trust Fund, averaged \$1.36 billion with a December 31, 2015 cost of \$1.404 billion and market value of \$1.398 billion, representing a negative mark-to-market of approximately \$6 million. At year-end, \$1.378 billion in cash and investments was held in the Authority's Operating Fund with the remainder held in construction funds and restricted funds. The Operating Fund was created by the Authority's General Resolution authorizing Revenue Obligations adopted on February 24, 1998. A number of internal reserves have been established within the Operating Fund, as follows (year-end balances noted in parentheses):

- Debt Service Reserve (\$23 million) – The Debt Service Reserve is funded monthly to ensure that sufficient amounts are available to pay debt service obligations when due. The Authority's scheduled principal and interest payments presently total approximately \$120 - \$140 million per year.

- Energy Hedging/Fuel Reserve (\$50 million) – This Reserve was established to have funds available for use as collateral that may be required to support the Authority’s authorized fuel and energy hedging transactions and to maintain funds to match a federal obligation to pay for the processing and final disposition of spent nuclear fuel burned by the Authority when it owned the Indian Point #3 and James A. FitzPatrick nuclear plants. On February 3, 2009, the Trustees approved the temporary transfer to the State of New York (“State”) of \$215 million held in this Reserve for the spent fuel obligation to assist with the State’s budgetary deficits. The temporary asset transfer was completed on February 25, 2009 and, in accordance with the terms and conditions of an Memorandum of Understanding between the NYS Director of the Division of Budget and the Authority, is due to be returned to the Authority no later than September 30, 2017. The December 31, 2015 spent fuel obligation was \$217 million.
- Capital Project Reserve (\$861 million) – This amount is being set aside to partially fund major new investments in energy infrastructure by the Authority. In order to minimize customer costs, maintain the Authority’s financial metrics and maintain ready access to the capital markets, it has been determined that the major investments should be financed with a portion funded by debt and a portion funded by Authority cash or, in effect, its “equity.” This Reserve has been established to provide this equity. On February 3, 2009, the Trustees approved a temporary transfer of \$103 million from the Capital Project Reserve to the State to assist with the State’s budgetary deficits and reaffirmed the transfer on July 28, 2009. The temporary asset transfer was completed in September 2009, and in accordance with the terms and conditions of an amended Memorandum of Understanding between the NYS Director of the Division of Budget and the Authority, is scheduled to be returned to the Authority in five annual installments beginning in 2014. The first of these installments of \$18 million was received on October 1, 2014, with the second installment of \$21 million received on September 17, 2015. On January 28, 2014, the Authority’s Trustees approved the dedication of \$800 million presently held in the Capital Project Reserve to meet a portion of the costs of major renewals, replacements, repairs, additions, betterments and other investments associated with the Authority’s strategic initiatives, capital plan and energy efficiency investments.
- Western New York Economic Development Fund (\$29 million) – On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the “Act”), which authorizes net earnings from the sale of unallocated Expansion Power and Replacement Power from the Authority’s Niagara power project, as deemed feasible and advisable by the Trustees, to be deposited into the Western New York Economic Development Fund (“WNYEDF”). The net earnings deposited into the WNYEDF will be utilized to fund economic development projects by private businesses, including not-for-profits, which are physically located within New York State and within a thirty-mile radius of the Niagara power project.
- Northern New York Economic Development Fund (\$1 million) – On December 30, 2014, Governor Cuomo signed into law the Northern New York Power Proceeds Allocation Act, which authorizes net earnings from the sale of up to 20 MW of unallocated firm St. Lawrence County Economic Development Power from the Authority’s St. Lawrence-FDR power project, as deemed feasible and advisable by the Trustees, to be deposited into the Northern New York Economic Development Fund (“NNYEDF”). The net earnings deposited into the NNYEDF will be utilized to fund economic development projects and businesses in St. Lawrence County. After five years, only up to 10 MW of unallocated power will be monetized for economic development.

- Operating Reserve (\$413 million) – The Operating Reserve includes a reserve for working capital and emergency repairs to the Authority’s projects. The Authority’s Trustees have established a minimum reserve amount of \$175 million for this purpose and funds cannot be released for “any lawful corporate purpose” (pursuant to Section 503(1)(e) of the Bond Resolution) unless this minimum reserve level is satisfied. The December 31, 2015 Operating Reserve of \$413 million reflects this \$175 million minimum, plus the amount staff deems prudent to provide for uncertainties in cash flows and commitments related to certain statewide economic development programs.

In addition to the Operating Fund, as of December 31, 2015, the Authority separately held a total of \$58 million in cash and investments from the proceeds of bond and note issuances in its Note Debt Reserve and Construction portfolios. These funds are earmarked for construction projects currently under way, such as the St. Lawrence Life Extension and Modernization Project and improvements pursuant to the Niagara Relicensing Settlement Agreements.

The Authority’s portfolios earned approximately \$18 million in investment income in 2015, approximately the same investment income earned in 2014. The continuing low interest rate environment limited the reinvestment of maturing securities to similarly low yielding instruments. In 2015, the Authority’s portfolios had an average yield of 1.27%.

As of December 31, 2015, the portfolio was comprised of United States treasury securities (7.5%), government-sponsored agency securities (84.2%), municipal securities (4.4%), mortgages guaranteed by the U. S. government (0.1%) and certificates of deposit and repurchase agreements (3.8%).

Other Post-Employment Benefits Trust (\$483 million)

The Authority’s Other Post-Employment Benefits Trust (“OPEB Trust”) was established in 2007 as authorized by the Authority’s Trustees at their December 19, 2006 meeting to provide for medical, prescription drug, life and other long-term care benefits offered by the Authority for retirees and eligible beneficiaries. The OPEB Trust allows for investments in a diversified portfolio of assets, including domestic and international equity securities, domestic and international fixed-income securities, public Real Estate Investment Trusts and a U. S. Treasury Money Market fund. During 2007 and 2008, the Authority deposited a total of \$225 million into the OPEB Trust to partially fund its actuarial accrued liability. On October 25, 2011, the Authority’s Trustees approved on-going annual funding of the OPEB Trust in order to strengthen the Authority’s financial position. Contributions totaling \$114.7 million, which represented the net obligation for the years 2009 through 2015, were made to the OPEB Trust in accordance with the Trustees authorization. The accrued asset as of December 31, 2015 was estimated to be \$73 million.

As of December 31, 2015, the OPEB Trust’s market value was approximately \$483 million, representing an annualized return of 0.74% for 2015. The return performance was attributable to positive returns in domestic equities, largely offset by negative international equity returns. Real estate and fixed income asset class performance were relatively unchanged in 2015.

Investment management and advisory fees associated with the OPEB Trust Fund totaled \$1,386,730 in 2015 and were paid from such Trust Fund. These fees and the firms paid are detailed in Section III (B) of the attached report.

Nuclear Decommissioning Trust (\$1.43 billion)

On November 21, 2000, the Authority completed the sale of its Indian Point #3 and James A. FitzPatrick nuclear plants to two subsidiaries of Entergy Corporation pursuant to a purchase-and-sale agreement dated March 28, 2000. In accordance with the Decommissioning Agreements, the Authority retains contractual decommissioning liability until license expiration, a change in the tax status of the fund or any early dismantlement of the plants, at which time the Authority will have the option to terminate its decommissioning responsibility and transfer the plant's fund to the Entergy subsidiary owning the plant. At that time, the Authority will be entitled to be paid an amount equal to the excess of the amount in the fund over the Inflation Adjusted Cost Amount (a fixed estimated decommissioning cost amount adjusted in accordance with the effect of increases and decreases in the U. S. Nuclear Regulatory Commission minimum cost-estimate amounts applicable to the plant), if any. The Authority's decommissioning liability is limited to the lesser of the Inflation Adjusted Cost Amount or the amount of the plant's fund, guaranteeing that no additional cost burdens may be placed on the Authority.

As of December 31, 2015, the Nuclear Decommissioning Trust's ("NDT") market value was approximately \$1.43 billion, representing an annualized return of 1.2% for 2015. The return performance was attributable to slightly positive returns in both the domestic equity and core fixed income asset classes in 2015.

Investment management and advisory fees associated with the Nuclear Decommissioning Trust Fund totaled \$1,562,501 in 2015 and were paid from such Trust Fund. These fees and the firms paid are detailed in Section III (C) of the attached report.

In connection with its examination of the Authority's financial statements, KPMG LLP ("KPMG") performed tests of the Authority's compliance with certain provisions of the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law. Based on discussions with KPMG, Staff is of the opinion that KPMG's written report, which will be delivered upon approval of the financial statements by the Board, will state that the Authority complied, in all material respects, with the requirements during the year ended December 31, 2015. Consequently, staff believes the Authority is in compliance with the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law.

2. Investment Guidelines

The Investment Guidelines and procedures have not been amended since last presented to and approved by the Trustees at their meeting of March 26, 2015. The Guidelines remain fundamentally sound and meet the requirements of the Authority. Furthermore, these Guidelines continue to meet the requirements of Section 2824(1)(e) of the Public Authorities Law, which requires the Authority's Trustees to establish written policies and procedures with respect to investments.

RECOMMENDATION

The Treasurer recommends that the Trustees approve the attached 2015 Annual Report on Investment of Authority Funds, and the amendment to the Guidelines for the Investment of Funds.

For the reasons stated, I recommend the approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That pursuant to Section 2925 of the Public Authorities Law, the 2015 Annual Report on Investment of Authority Funds which includes Investment Guidelines that set standards for the management and control of the Authority's investments; total investment income; a statement of fees paid for investment management services; the results of an independent audit; a detailed inventory report for each of the Authority's investment portfolios as of December 31, 2015; and a summary of transactions with brokers, dealers and banks be, and hereby is, approved; 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.

**2015 Annual Report on
Investment of Authority Funds**

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Section I

New York Power Authority Guidelines for the Investment of Funds

I. General

These Guidelines for the Investment of Funds (the “Guidelines”) are intended to effectuate the applicable provisions of the General Resolution Authorizing Revenue Obligations, adopted February 24, 1998 (the “Resolution”), the lien and pledge of which covers all accounts and funds of the Authority and that governs the Authority's existing policies and procedures concerning the investment of funds as contained in these Guidelines. In a conflict between the Guidelines and the Resolution, the latter shall prevail. In addition, these Guidelines are intended to effectuate the provisions of Section 2925 of the New York State Public Authorities Law.

II. Responsibility for Investments

The Treasurer and Deputy Treasurer have the responsibility for the investment of Authority funds under the general supervision of the Executive Vice President and Chief Financial Officer. The Treasurer shall ensure that an operating manual is maintained that provides a detailed description of procedures for maintaining records of investment transactions and related information.

III. Investment Goals

The Treasurer and Deputy Treasurer are responsible for maximizing the yield on investments consistent with requirements for safety, liquidity and minimization of risk. Monies will not be invested for terms in excess of the projected use of funds.

IV. Authorized Investments

A. Monies in funds established pursuant to the Resolution shall be invested in Authorized Investments or Authorized Certificates of Deposit, defined as follows:

“Authorized Investments” shall mean:

1. Direct obligations of or obligations guaranteed by the United States of America or the State of New York;
2. Bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association (including Participation Certificates), Government National Mortgage Association,

Federal Financing Bank, Federal Home Loan Mortgage Corporation and Federal Home Loan Banks, Federal Housing Administration, Federal Farm Credit Banks Funding Corporation, Federal Farm Credit Banks, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks or any other agency controlled or supervised by and acting as an instrumentality of the United States government;

3. Obligations of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision that shall be rated at the time of the investment in any of the three highest long-term Rating Categories, as such term is defined in the Resolution, or the highest short-term Rating Category by a Rating Agency, as such term is defined in the Resolution.
4. Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract with the United States of America; or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; provided that such Bonds or Notes are guaranteed by the United States of America.

“Authorized Certificate of Deposit” shall mean a certificate of deposit authorized by the Resolution as an “Authorized Investment.”

B. The Authority, as an issuer of tax-exempt obligations, must not engage in any arbitrage practice prohibited by the arbitrage regulations promulgated under the Internal Revenue Code. In no event shall Authority funds be invested in a manner that would violate the provisions of such arbitrage regulations.

V. Provisions Relating to Qualifications of Dealers and Banks

- A.1. The purchase and/or sale of Authorized Investments shall be transacted only through banks, trust companies or national banking associations (herein collectively termed “Banks”) that are members of the Federal Reserve System and government security dealers (herein termed “Dealers”), which are Banks and Dealers reporting to, trading with and recognized as primary dealers by the Federal Reserve Bank of New York. A list of authorized Banks and Dealers shall be maintained. Banks and Dealers shall have demonstrated an ability to:
 - a) offer superior rates or prices on the types and amounts of securities required;
 - b) provide a high degree of attention to the Authority's investment objectives; and
 - c) execute trades in a timely and accurate manner.

- A.2. Authorized Investments may also be purchased or sold through minority-owned, women-owned, and service-disabled veteran owned firms authorized to transact business in the U.S. government and municipal securities markets. Such qualified firms shall demonstrate the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- A.3.A. Municipal securities qualifying as Authorized Investments may also be purchased or sold through any municipal bond dealer registered in the State of New York that demonstrates the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- B. Authorized Certificates of Deposit and time deposits (“Time Deposits”) shall be purchased directly from Banks that:
 - (1) are members of the Federal Reserve System transacting business in the State of New York;
 - (2) have capital and surplus aggregating at least \$50 million; and
 - (3) demonstrate all the qualities detailed in clauses (a), (b) and (c) of Section V.A.1.
- C. Authorized Investments purchased by the Authority or collateral securing its investments shall be deposited only with custodians designated by the Authority. Such custodians shall be Banks that are members of the Federal Reserve System transacting business in the State of New York.
- D. The Authority shall file with each qualified dealer a letter agreement that designates the (1) type of authorized investments, (2) Authority employees who are authorized to transact business and (3) delivery instructions for the safekeeping of investments.
- E. The Authority shall enter into a written contract with any (1) Dealer from which Authorized Investments are purchased subject to a repurchase agreement and (2) Bank from which Authorized Certificates of Deposit are purchased.

VI. General Policies Governing Investment Transactions

- A. Competitive quotations or negotiated prices shall be obtained except in the purchase of government securities at their initial auction or upon initial offering. A minimum of three quotes shall be obtained and documented from Dealers and/or Banks, except as indicated above, and the most favorable quote accepted. The Treasurer or Deputy Treasurer may waive this requirement on a single-transaction basis only if warranted by market conditions and documented in writing.
- B. Authorized Investments purchased shall be either delivered to the Authority's designated custodian or, in the case of securities held in a book-entry account maintained at the Federal Reserve Bank of New York or the Depository Trust

Company, recorded in the Authority's name or in the name of a nominee agent or custodian designated by the Authority on the books of the Federal Reserve Bank of New York or the Depository Trust Company. Payment shall be made to the Dealer or Bank only upon receipt by the Authority's custodian of (1) the securities or (2) in the case of securities held in a book-entry account, written advice or wire confirmation from the Federal Reserve Bank of New York or the Depository Trust Company that the necessary book entry has been made.

- C. Each purchase or sale of Authorized Investments or Authorized Certificates of Deposit shall be authorized by the Treasurer or Deputy Treasurer. Investment orders may be placed by Authority employees as designated by the Treasurer. The custodian shall have standing instructions to send a transaction advice to the Authority's Controller for purposes of comparison with internal records. The Controller shall advise the Treasurer of any variances, and the Treasurer shall ensure appropriate corrections are provided.

VII. Policies Concerning Certain Types of Investment Diversification Standards Required

A. Authorized Certificates of Deposit and Time Deposits

1. Authorized Certificates of Deposit and Time Deposits shall be purchased directly from a Bank in the primary market.
2. Authorized Certificates of Deposit and Time Deposits shall be continuously secured/collateralized by Authorized Investments defined in subsection (1) or (2) of Section IV.A., having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such Certificates of Deposit or Time Deposits. Such Authorized Investments shall be segregated in a separate custodian account on behalf of the Authority. Collateral pledged for Certificates of Deposit or Time Deposits held as investments shall be market valued (marked to market) not less than once per week.
3. Investments in Authorized Certificates of Deposit or Time Deposits shall not exceed 25% of the Authority's invested funds. The par value of Authorized Certificates of Deposit purchased from any one Bank shall not exceed \$25 million.

B. Repurchase Agreements

The Authority may from time to time elect to enter into arrangements for the purchase and resale of Authorized Investments (known as "Repurchase Agreements"). This type of investment transaction shall be used only when there is no other viable, short-term investment alternative.

1. A Repurchase Agreement shall be transacted only with a Dealer or Bank qualified to sell Authorized Investments to the Authority that is recognized by the Federal Reserve Bank as a primary dealer.
2. Authorized Investments purchased subject to a Repurchase Agreement shall be marked to market daily to ensure their value equals or exceeds the purchase price.
3. A Repurchase Agreement shall be limited to a maximum fixed term of five business days. Payment for the purchased securities shall be made against delivery to the Authority's designated custodian (which shall not be a party to the transaction as seller or seller's agent) or, in the case of securities held in a book-entry account maintained at the Federal Reserve Bank of New York or the Depository Trust Company, written advice that the securities are recorded in the Authority's name or in the name of a nominee, agent or custodian designated by the Authority on the books of the Federal Reserve Bank or the Depository Trust Company.
4. No more than \$50 million of Authorized Investments shall be purchased under a Repurchase Agreement with any one Dealer or Bank. This requirement may be waived by the Executive Vice President and Chief Financial Officer on a single- transaction basis only if warranted by special circumstances and documented in writing.
5. The aggregate amount invested in Repurchase Agreements may not exceed the greater of 5% of the investment portfolio or \$100 million. The Executive Vice President and Chief Financial Officer may waive this requirement on a single-transaction basis only if warranted by cash-flow requirements and documented in writing.
6. The Authority may not enter into arrangements (known as Reverse Repurchase Agreements) for the purpose of borrowing monies by pledging Authorized Investments owned by the Authority.

VIII. Review

These Guidelines and any proposed amendments shall be submitted for Trustee review and approval at least once a year.

In addition to the Authority's periodic review, the Authority's independent auditors, in connection with their examination of the Authority, shall perform an annual audit of the investment portfolio, review investment procedures and prepare a report, the results of which will be made available to the Trustees.

IX. Reports

- A. The Treasurer shall submit an investment report to the Trustees, at least quarterly. Such report shall contain a (1) detailed description of each investment; (2) summary of the dealers and banks from which such securities were purchased and (3) a list of fees, commissions or other charges, if any, paid to advisors or other entities rendering investment services.
- B. The Treasurer shall submit an annual report for approval by the Trustees. In addition to the information provided quarterly, the Annual Report shall include (i) a copy of the Guidelines; (ii) an explanation of the Guidelines and any amendments thereto since the last annual report; (iii) the results of an annual independent audit of investment inventory and procedures and (iv) a record of income earned on invested funds. The approved report shall be submitted to the State Division of the Budget with copies distributed to the Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. Copies shall be made available to the public upon written reasonable request.
- C. Any waivers that occurred during the prior month shall be reported to the Executive Vice President and Chief Financial Officer.

X. Miscellaneous

- A. These Guidelines are intended for guidance of officers and employees of the Authority only, and nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision thereof.
- B. Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.
- C. No provisions in these Guidelines shall be the basis of any claim against any Trustee, officer or employee of the Authority in his or her individual or official capacity or against the Authority itself.

Section II

EXPLANATION OF INVESTMENT GUIDELINES

Section II Responsibility for Investments

Establishes responsibility for the Investment of Authority Funds and limits the number of individuals authorized to place investment orders.

Section III Investment Goal

Establishes the policy that earning a reasonable return on investments must be consistent with standards set for minimization of risk and availability of funds when needed.

Section IV Authorized Investments

Details the types of investments the Authority can undertake as prescribed in Section 101 of the Resolution.

This section also requires that investments made in each of the Funds established under the Resolution be invested for a term commensurate with cash-flow expectations and that such investments not violate the arbitrage regulations of the Internal Revenue Code.

Section V Provisions Relating to Qualifications of Dealers and Banks

Establishes criteria for the selection of banks and dealers from which the Authority may buy or sell investments. Business is transacted with firms that have demonstrated financial strength and a high degree of reliability with respect to servicing the Authority's needs. This section also directs that custody of Authority investments be maintained by banks that are members of the Federal Reserve System transacting business in the State of New York.

This section also addresses the subject of contracts with banks and dealers for the purchase or sale of Authorized Investments. The Authority has written Letters of Agreement with authorized dealers that specify the types of securities in which the Authority may invest and identify those Authority individuals authorized to give instructions related to the purchase and sale of securities. In addition, the Authority shall have a written form of agreement for use in repurchase transactions with any authorized dealer with which the Authority may transact this type of investment.

Section VI General Policies Governing Investment Transactions

Requires that the Authority solicit no less than three bids for the purchase or sale of securities in order to ensure the most favorable rate except when securities are purchased at their initial auction, upon new issue or through negotiated prices.

Requires that the Authority or its custodian, prior to payment, take possession of such securities, or in the case of book-entry securities, obtain written advice or wire confirmation that transfer or ownership has been recorded.

Establishes authorized employees to approve the purchase or sale of securities.

Establishes control procedures whereby the Controller shall compare the custodian's confirmation to Authority records.

Section VII Policy Concerning Certain Types of Investment Diversification Standards Required

Establishes a policy concerning the purchase of Authorized Certificates of Deposit and Time Deposits intended to minimize the risk associated with such transactions. Authorized Certificates of Deposit or Time Deposits may be purchased directly from a bank that is a member of the Federal Reserve System transacting business in the State of New York. Such deposits shall be continuously secured by Authorized Investments as outlined in subsection (1) or (2) of Section IV.A. This collateral shall be regularly priced to current market to assure the Authority's security interest is continuously protected. Aggregate holdings of Authorized Certificates of Deposit shall not exceed 25% of the Authority's total investment. Authorized Certificates of Deposit purchased from any one bank shall not exceed \$25 million.

Establishes a policy intended to minimize the risk associated with arrangements for the purchase and resale of Authorized Investments known as Repurchase Agreements ("Repos"). Repos purchased from any one qualified dealer or bank shall not exceed \$50 million and shall be limited to a maximum fixed term of five business days. Aggregate investments in Repos shall not exceed the greater of 5% of the Authority's total investments or \$100 million. All securities purchased under the terms of a Repo shall be held in safekeeping by a designated custodian for the Authority. Such securities shall be priced to market on a daily basis to assure the Authority's security interest. Reverse Repurchase Agreements are not authorized transactions.

Section VIII Review

Establishes policy requiring review of the Guidelines at least once a year. Requires an annual audit by the Authority's independent auditors of the Authority's investment portfolio and compliance with the guidelines established by the Authority and the State Comptroller.

Section IX Reports

Establishes policy requiring submission of reports to the Authority's Trustees concerning the management and performance of the Authority's portfolio.

This Section also requires that an annual report be submitted for approval by the Authority's Trustees. Copies of the approved report shall be sent to the State Division of the Budget, Office of the State Comptroller, Senate Finance Committee and Assembly Way and Means Committee.

Section III

A. Investment Income Record

During 2015, the Authority's investment portfolio averaged approximately \$1.36 billion and earned approximately \$18 million.

The earnings, by fund, were as follows (dollars in millions):

Operating Fund	\$18.0
Capital (Construction Funds)	<u>0.0</u>
Total	<u>\$ 18.0</u>

The 2015 investment income was approximately the same as investment income earned in 2014. Higher yielding securities matured and rolled off the portfolio and the proceeds from matured securities and investment of new cash flows were invested in similarly low yielding securities throughout the year.

B. Fees Paid for Other Post-Employment Benefits Trust Fund Investment/Advisory Services

\$ 14,335	Bradford & Marzec, LLC
\$ 139,141	CenterSquare Investment Management
\$ 351,656	Lazard Asset Management
\$ 141,467	Mackay & Shields
\$ 114,425	New Amsterdam
\$ 32,163	PFM Asset Management, LLC (Advisory Services)
\$ 44,093	State Street Global Advisors
\$ 129,833	Thomas White International
\$ 230,394	WCM Investment Management
<u>\$ 189,223</u>	Wells Capital Management Inc.
\$1,386,730	Total

Fees were paid from the OPEB Trust Fund.

C. Fees Paid for Nuclear Decommissioning Trust Fund Investment/Advisory Services

\$ 255,490	Bradford & Marzec, LLC
\$ 255,038	CS Mckee
\$ 356,397	Garcia Hamilton & Associates, L.P.
\$ 102,880	Mellon Capital Management
\$ 99,087	PFM Asset Management, LLC (Advisory Services)
\$ 271,734	Prudential Investment Management, Inc.
<u>\$ 221,875</u>	Schroder Investment Management North America Inc.
\$1,562,501	Total

Fees were paid from the Nuclear Decommissioning Trust Fund.

D. Results of the Annual Independent Audit

In connection with its examination of the Authority's financial statements, KPMG LLP ("KPMG") performed tests of the Authority's compliance with certain provisions of the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law. Based on discussions with KPMG, Staff is of the opinion that KPMG's written report, which will be delivered upon approval of the financial statements by the Board, will state that the Authority complied, in all material respects, with the requirements during the year ended December 31, 2015. Consequently, staff believes the Authority is in compliance with the Investment Guidelines, the State Comptroller's Investment Guidelines and Section 2925 of the Public Authorities Law.

NEW YORK POWER AUTHORITY
INVENTORY REPORT BY PORTFOLIO AND SECURITY TYPE
HOLDINGS AS OF: 12/31/15

<u>PORTFOLIO / SECURITY</u>	<u>SECURITY DESCRIPTION</u>	<u>PAR AMOUNT</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>YIELD TO MATURITY</u>	<u>PRINCIPAL COST</u>	<u>INTEREST PURCHASED</u>	<u>TOTAL COST</u>
PORTFOLIO: NIAGARA TAX EXEMPT								
MUNICIPAL 20774LBN4	CONT HEALTH & EDU 09/18/15	<u>1,050,000.00</u>	7/1/2033	0.010	<u>0.050</u>	<u>1,050,000.00</u>	<u>0.00</u>	<u>1,050,000.00</u>
Subtotal:	MUNICIPAL	<u>1,050,000.00</u>			<u>0.050</u>	<u>1,050,000.00</u>	<u>0.00</u>	<u>1,050,000.00</u>
Subtotal: PORTFOLIO: NIAGARA TAX EXEMPT		1,050,000.00			0.050	1,050,000.00	0.00	1,050,000.00
PORTFOLIO: NIAGARA TAXABLE								
FREDDIE MAC 313396RL9	FMCDN	<u>5,600,000.00</u>	1/6/2016		<u>0.122</u>	<u>5,595,986.67</u>	<u>0.00</u>	<u>5,595,986.67</u>
Subtotal:	FREDDIE MAC	<u>5,600,000.00</u>			<u>0.122</u>	<u>5,595,986.67</u>	<u>0.00</u>	<u>5,595,986.67</u>
Subtotal: PORTFOLIO: NIAGARA TAXABLE		5,600,000.00			0.122	5,595,986.67	0.00	5,595,986.67
PORTFOLIO: NOTE DEBT RESERVE								
FANNIE MAE 3135G0ES8	FNMA	6,065,000.00	11/15/2016	1.375	0.669	6,210,786.22	0.00	6,210,786.22
3135G0PP2	FNMA	4,883,000.00	9/20/2017	1.000	1.010	4,881,193.29	0.00	4,881,193.29
3135G0TG8	FNMA	3,920,000.00	2/8/2018	0.875	1.094	3,892,128.80	0.00	3,892,128.80
3135G0TG8	FNMA	<u>505,000.00</u>	2/8/2018	0.875	<u>0.835</u>	<u>505,560.55</u>	<u>0.00</u>	<u>505,560.55</u>
Subtotal:	FANNIE MAE	<u>15,373,000.00</u>			<u>0.889</u>	<u>15,489,668.86</u>	<u>0.00</u>	<u>15,489,668.86</u>
FEDERAL HOME LOAN 3137EADK2	FHLMC	<u>4,500,000.00</u>	8/1/2019	1.250	<u>1.574</u>	<u>4,442,557.50</u>	<u>0.00</u>	<u>4,442,557.50</u>
Subtotal:	FEDERAL HOME LOAN	<u>4,500,000.00</u>			<u>1.574</u>	<u>4,442,557.50</u>	<u>0.00</u>	<u>4,442,557.50</u>
Subtotal: PORTFOLIO: NOTE DEBT RESERVE		19,873,000.00			1.046	19,932,226.36	0.00	19,932,226.36
PORTFOLIO: OPERATING NORTHERN NY ECONOMIC DEVELOPMENT								
FREDDIE MAC 313384WA3	FHLB DISCOUNT NOTE	<u>950,000.00</u>	4/25/2016		<u>0.355</u>	<u>948,651.53</u>	<u>0.00</u>	<u>948,651.53</u>
Subtotal:	FREDDIE MAC	<u>950,000.00</u>			<u>0.355</u>	<u>948,651.53</u>	<u>0.00</u>	<u>948,651.53</u>
Subtotal: PORTFOLIO: NORTHERN NY ECONOMIC DEVELOPMENT		950,000.00			0.355	948,651.53	0.00	948,651.53

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PORTFOLIO: OP. WNY ECONOMIC DEVELOPMENT								
FANNIE MAE								
313588VT9	FNDN	<u>1,500,000.00</u>	4/18/2016		<u>0.213</u>	<u>1,498,302.50</u>	<u>0.00</u>	<u>1,498,302.50</u>
Subtotal:	FANNIE MAE	1,500,000.00			0.213	1,498,302.50	0.00	1,498,302.50
FEDERAL HOME LOAN								
313384RK7	FHLBDN	2,100,000.00	1/5/2016		0.087	2,099,633.09	0.00	2,099,633.09
313384WT2	FHDN	<u>25,200,000.00</u>	5/12/2016		<u>0.305</u>	<u>25,159,680.00</u>	<u>0.00</u>	<u>25,159,680.00</u>
Subtotal:	FEDERAL HOME LOAN	27,300,000.00			0.288	27,259,313.09	0.00	27,259,313.09
Subtotal: PORTFOLIO: OP. WNY ECONOMIC DEVELOPMENT		28,800,000.00			0.284	28,757,615.59	0.00	28,757,615.59
PORTFOLIO: OPERATING LINKED DEPOSIT PROGRAM								
CERTIFICATES OF DEPOSIT								
	M & T TRUST CO.	75,000.00	1/8/2016		0.000	75,000.00	0.00	75,000.00
	M & T TRUST CO.	28,000.00	1/15/2016		0.000	28,000.00	0.00	28,000.00
	The Bank of Castile	38,000.00	1/15/2016		0.000	38,000.00	0.00	38,000.00
	M & T TRUST CO.	115,000.00	1/29/2016		0.000	115,000.00	0.00	115,000.00
	M & T TRUST CO.	58,000.00	2/4/2016		0.000	58,000.00	0.00	58,000.00
	M & T TRUST CO.	49,000.00	2/19/2016		0.000	49,000.00	0.00	49,000.00
	M & T TRUST CO.	54,000.00	2/26/2016		0.000	54,000.00	0.00	54,000.00
	NBT Bank N.A.	596,850.00	2/26/2016		0.000	596,850.00	0.00	596,850.00
	M & T Bank	764,000.00	3/17/2016		0.000	764,000.00	0.00	764,000.00
	NBT Bank N.A.	260,000.00	4/8/2016		0.000	260,000.00	0.00	260,000.00
	M & T Bank	122,000.00	4/15/2016		0.000	122,000.00	0.00	122,000.00
	NBT BANK	40,301.00	4/22/2016		0.000	40,301.00	0.00	40,301.00
	M & T Bank	134,000.00	5/5/2016		0.000	134,000.00	0.00	134,000.00
	TIOGA STATE BANK	68,875.00	6/10/2016		0.000	68,875.00	0.00	68,875.00
	Community Bank, N.A.	60,000.00	7/21/2016		0.000	60,000.00	0.00	60,000.00
	NBT BANK	131,024.00	7/22/2016		0.000	131,024.00	0.00	131,024.00
	FIRST NIAGARA BANK	264,405.00	7/22/2016		0.000	264,405.00	0.00	264,405.00
	M&T TRUST CO	42,000.00	7/22/2016		0.000	42,000.00	0.00	42,000.00
	Genesee Regional Bank	324,246.00	8/9/2016		0.000	324,246.00	0.00	324,246.00
	NBT Bank, N.A.	155,000.00	8/12/2016		0.000	155,000.00	0.00	155,000.00
	First Niagara Bank	155,841.00	9/9/2016		0.000	155,841.19	0.00	155,841.19
	M & T TRUST CO.	43,000.00	9/23/2016		0.000	43,000.00	0.00	43,000.00
	NBT Bank	20,898.00	12/9/2016		0.000	20,898.00	0.00	20,898.00
	NBT Bank	120,000.00	12/21/2016		0.000	120,000.00	0.00	120,000.00
	M & T TRUST CO.	<u>25,000.00</u>	12/29/2016		<u>0.000</u>	<u>25,000.00</u>	<u>0.00</u>	<u>25,000.00</u>
Subtotal:	CERTIFICATES OF DEPOSIT	<u>3,744,440.00</u>			<u>0.000</u>	<u>3,744,440.19</u>	<u>0.00</u>	<u>3,744,440.19</u>
Subtotal: PORTFOLIO: OPERATING LINKED DEPOSIT PROGRAM		3,744,440.00			0.000	3,744,440.19	0.00	3,744,440.19

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PORTFOLIO: OPERATING FUND								
FANNIE MAE								
3136G0L74	FNMA	16,085,000.00	1/5/2016	0.500	0.453	16,109,545.71	0.00	16,109,545.71
3135G0AL7	FNMA	20,000,000.00	3/15/2016	2.250	1.334	20,784,000.00	0.00	20,784,000.00
3135G0BA0	FNMA	10,000,000.00	4/11/2016	2.375	1.132	10,547,400.00	0.00	10,547,400.00
3135G0CM3	FNMA	20,000,000.00	9/28/2016	1.250	1.348	19,908,400.00	0.00	19,908,400.00
3135G0CM3	FNMA	15,000,000.00	9/28/2016	1.250	1.184	15,045,450.00	0.00	15,045,450.00
3135G0ES8	FNMA	20,000,000.00	11/15/2016	1.375	1.381	19,994,200.00	0.00	19,994,200.00
3135G0ES8	FNMA	10,000,000.00	11/15/2016	1.375	1.320	10,026,200.00	0.00	10,026,200.00
3135G0ES8	FNMA	20,000,000.00	11/15/2016	1.375	1.226	20,140,600.00	0.00	20,140,600.00
3135G0JA2	FNMA	10,000,000.00	4/27/2017	1.125	1.137	9,994,100.00	0.00	9,994,100.00
3135G0JA2	FNMA	15,000,000.00	4/27/2017	1.125	0.691	15,293,400.00	0.00	15,293,400.00
31359MEL3	FNMA	5,000,000.00	6/1/2017	0.000	0.841	4,809,975.00	0.00	4,809,975.00
31359MEL3	FNMA	5,000,000.00	6/1/2017	0.000	0.841	4,810,085.00	0.00	4,810,085.00
3135G0MZ3	FNMA	25,000,000.00	8/28/2017	0.875	0.918	24,946,500.00	0.00	24,946,500.00
3135G0PQ0	FNMA	25,000,000.00	10/26/2017	0.875	0.804	25,083,750.00	0.00	25,083,750.00
3135G0RT2	FNMA	25,000,000.00	12/20/2017	0.875	1.111	24,793,750.00	0.00	24,793,750.00
3135G0TG8	FNMA	15,000,000.00	2/8/2018	0.875	0.814	15,042,900.00	0.00	15,042,900.00
3135G0TG8	FNMA	20,000,000.00	2/8/2018	0.875	1.323	19,687,800.00	0.00	19,687,800.00
3135G0WJ8	FNMA	10,000,000.00	5/21/2018	0.875	0.918	9,978,600.00	0.00	9,978,600.00
3135G0YM9	FNMA	25,000,000.00	9/18/2018	1.875	1.848	25,032,500.00	0.00	25,032,500.00
3135G0YM9	FNMA	20,000,000.00	9/18/2018	1.875	1.967	19,912,600.00	0.00	19,912,600.00
3135G0YT4	FNMA	25,000,000.00	11/27/2018	1.625	1.703	24,904,250.00	0.00	24,904,250.00
3135G0YT4	FNMA	10,000,000.00	11/27/2018	1.625	1.703	9,968,740.00	0.00	9,968,740.00
3135G0ZA4	FNMA	20,000,000.00	2/19/2019	1.875	1.257	20,414,789.80	22,916.67	20,437,706.47
3135G0ZG1	FNMA	20,000,000.00	9/12/2019	1.750	1.609	20,114,276.00	0.00	20,114,276.00
3135G0ZY2	FNMA	10,000,000.00	11/26/2019	1.750	1.836	9,958,700.00	0.00	9,958,700.00
3135G0A78	FNMA	20,000,000.00	1/21/2020	1.625	1.737	19,901,400.00	0.00	19,901,400.00
3135G0D75	FNMA	<u>10,000,000.00</u>	6/22/2020	1.500	<u>1.455</u>	<u>10,020,300.00</u>	<u>0.00</u>	<u>10,020,300.00</u>
Subtotal:	FANNIE MAE	446,085,000.00			1.287	447,224,211.51	22,916.67	447,247,128.18
FEDERAL FARM CREDIT								
31331X3J9	FFCB	7,000,000.00	9/13/2016	5.125	4.155	7,486,010.00	0.00	7,486,010.00
31331X3J9	FFCB	10,000,000.00	9/13/2016	5.125	4.416	10,501,500.00	0.00	10,501,500.00
31331YE97	FFCB	5,000,000.00	4/17/2017	4.250	4.671	4,848,150.00	0.00	4,848,150.00
31331YSH4	FFCB	10,000,000.00	1/5/2017	4.250	4.155	10,070,500.00	0.00	10,070,500.00
31331YSH4	FFCB	10,000,000.00	1/5/2017	4.250	4.210	10,029,800.00	0.00	10,029,800.00
31331YSH4	FFCB	2,625,000.00	1/5/2017	4.250	4.317	2,612,190.00	0.00	2,612,190.00
3133EEM49	FEDERAL FARM CREDIT BANK	15,000,000.00	12/20/2019	1.600	1.582	15,011,880.00	0.00	15,011,880.00
3133EEW55	FFCB	20,000,000.00	6/15/2020	1.800	1.905	19,900,297.40	0.00	19,900,297.40
3133EFJF5	FFCB	<u>25,000,000.00</u>	10/9/2020	1.375	<u>1.457</u>	<u>24,901,500.00</u>	<u>0.00</u>	<u>24,901,500.00</u>
Subtotal:	FEDERAL FARM CREDIT	104,625,000.00			2.785	105,361,827.40	0.00	105,361,827.40

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FEDERAL HOME LOAN								
3130A2WR3	FHLB	25,000,000.00	2/26/2016	0.380	0.383	24,999,000.00	0.00	24,999,000.00
313373SZ6	FHLB	20,000,000.00	6/10/2016	2.125	0.782	21,058,000.00	0.00	21,058,000.00
313379AF6	FHLB	15,000,000.00	7/15/2016	1.000	0.831	15,105,000.00	0.00	15,105,000.00
313379DT3	FHLB	20,000,000.00	6/8/2018	1.250	0.897	20,349,687.80	0.00	20,349,687.80
313383CU3	FHLB	25,000,000.00	8/15/2018	1.000	1.000	25,000,000.00	0.00	25,000,000.00
313379EE5	FHLB	25,000,000.00	6/14/2019	1.625	1.831	24,754,750.00	0.00	24,754,750.00
3133X8AS1	FHLB	10,000,000.00	8/15/2019	5.125	1.550	11,402,700.00	0.00	11,402,700.00
313378J77	FHLB	20,000,000.00	3/13/2020	1.875	1.590	20,246,200.00	3,125.00	20,249,325.00
3130A5Z77	FHLB	20,000,000.00	7/29/2020	1.830	1.758	20,067,000.00	57,950.00	20,124,950.00
3130A5Z77	FHLB	10,000,000.00	7/29/2020	1.830	1.478	10,163,400.00	35,583.33	10,198,983.33
3130A66T9	FHLB	20,000,000.00	9/11/2020	1.625	1.749	19,880,000.00	11,736.11	19,891,736.11
3130A66T9	FHLB	<u>10,000,000.00</u>	9/11/2020	1.625	<u>1.482</u>	<u>10,068,027.30</u>	<u>24,826.39</u>	<u>10,092,853.69</u>
Subtotal:	FEDERAL HOME LOAN	220,000,000.00			1.242	223,093,765.10	133,220.83	223,226,985.93
FREDDIE MAC								
3137EACT4	FHLMC	20,000,000.00	5/27/2016	2.500	1.176	21,197,400.00	0.00	21,197,400.00
3137EACW7	FHLMC	20,000,000.00	8/25/2016	2.000	1.048	20,817,000.00	0.00	20,817,000.00
3137EADCO	FHLMC	20,000,000.00	3/8/2017	1.000	1.101	19,901,400.00	0.00	19,901,400.00
3137EADF3	FHLMC	30,000,000.00	5/12/2017	1.250	0.747	30,708,900.00	0.00	30,708,900.00
3137EADH9	FHLMC	15,000,000.00	6/29/2017	1.000	0.801	15,141,000.00	0.00	15,141,000.00
3137EADJ5	FHLMC	25,000,000.00	7/28/2017	1.000	0.803	25,235,250.00	0.00	25,235,250.00
3137EADL0	FHLMC	15,000,000.00	9/29/2017	1.000	0.832	15,125,055.00	0.00	15,125,055.00
3134G3G38	FHLMC	25,000,000.00	11/15/2017	2.000	0.895	26,413,750.00	0.00	26,413,750.00
3137EADN6	FHLMC	15,000,000.00	1/12/2018	0.750	0.757	14,995,050.00	0.00	14,995,050.00
3137EADP1	FHLMC	25,000,000.00	3/7/2018	0.875	0.919	24,946,250.00	0.00	24,946,250.00
3134G42P2	FHLMC	25,000,000.00	5/15/2018	0.750	0.820	24,913,000.00	0.00	24,913,000.00
3137EADG1	FHLMC	30,000,000.00	5/30/2019	1.750	1.630	30,169,260.00	0.00	30,169,260.00
3137EADK2	FHLMC	10,000,000.00	8/1/2019	1.250	1.384	9,949,400.00	13,888.89	9,963,288.89
3137EADM8	FHLMC	20,000,000.00	10/2/2019	1.250	1.888	19,394,580.00	0.00	19,394,580.00
3137EADM8	FHLMC	15,000,000.00	10/2/2019	1.250	1.518	14,830,800.00	0.00	14,830,800.00
3137EADR7	FHLMC	<u>15,000,000.00</u>	5/1/2020	1.375	<u>1.818</u>	<u>14,663,550.00</u>	<u>0.00</u>	<u>14,663,550.00</u>
Subtotal:	FREDDIE MAC	325,000,000.00			1.107	328,401,645.00	13,888.89	328,415,533.89
MORTGAGE								
36225BM21	GNMA POOL #781277	280,693.00	12/15/2028	7.000	6.757	289,026.57	0.00	289,026.57
31393C4K6	FHR 2003-66 KA	341,552.00	1/25/2033	3.500	3.501	343,259.95	0.00	343,259.95
38375KQM7	GNMA POOL 2007-35	<u>481,369.00</u>	8/20/2036	6.000	<u>6.083</u>	<u>479,864.61</u>	<u>0.00</u>	<u>479,864.61</u>
Subtotal:	MORTGAGE	1,103,614.00			5.461	1,112,151.13	0.00	1,112,151.13

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MUNICIPAL								
57563EAF5	MASS TRANS	3,500,000.00	1/1/2016	2.058	2.058	3,500,000.00	0.00	3,500,000.00
20772GE20	CT ST GEN OBLIG	10,000,000.00	3/15/2016	4.550	4.550	10,000,000.00	0.00	10,000,000.00
73358TR86	PORT AUTH NY/ NJ	2,900,000.00	9/15/2016	4.750	5.140	2,824,165.00	0.00	2,824,165.00
64971QQV8	NYC TFA	3,950,000.00	11/1/2016	1.550	1.616	3,937,597.00	0.00	3,937,597.00
387892UX8	GRANT CITY WASH PUB UTIL	1,215,000.00	1/1/2017	5.150	4.736	1,235,047.50	0.00	1,235,047.50
914437QY7	UNIV OF MASS- TXBL	10,000,000.00	11/1/2017	1.311	1.311	10,000,000.00	0.00	10,000,000.00
631663MZ1	Nassau County NY Interim Fin Auth	8,311,000.00	11/15/2017	1.454	1.454	8,311,000.00	0.00	8,311,000.00
57582PM98	MASS COMMWLTH	10,000,000.00	4/1/2018	1.000	1.123	9,940,800.00	0.00	9,940,800.00
64966KPZ0	NYC G O	6,935,000.00	3/1/2019	1.450	2.512	6,562,729.20	0.00	6,562,729.20
6775212J4	OHIO G O	<u>5,000,000.00</u>	11/1/2019	2.550	<u>2.550</u>	<u>4,999,900.00</u>	<u>0.00</u>	<u>4,999,900.00</u>
Subtotal:	MUNICIPAL	61,811,000.00			2.365	61,311,238.70	0.00	61,311,238.70
REPURCHASE AGREEMENT								
	GN REPO O/N	<u>50,000,000.00</u>	1/4/2016	0.260	<u>0.264</u>	<u>50,000,000.00</u>	<u>0.00</u>	<u>50,000,000.00</u>
Subtotal:	REPURCHASE AGREEMENT	50,000,000.00			0.264	50,000,000.00	0.00	50,000,000.00
TREASURY NOTE								
912828WA4	Treasury Note	20,000,000.00	10/15/2016	0.625	0.576	20,023,400.00	0.00	20,023,400.00
912828A59	Treasury Note	30,000,000.00	12/15/2016	0.625	0.738	29,912,109.38	0.00	29,912,109.38
912828SC5	Treasury Note	25,000,000.00	1/31/2017	0.875	0.748	25,087,890.63	0.00	25,087,890.63
912828SJ0	Treasury Note	<u>30,000,000.00</u>	2/28/2017	0.875	<u>0.849</u>	<u>30,022,265.63</u>	<u>0.00</u>	<u>30,022,265.63</u>
Subtotal:	TREASURY NOTE	<u>105,000,000.00</u>			<u>0.741</u>	<u>105,045,665.64</u>	<u>0.00</u>	<u>105,045,665.64</u>
Subtotal: PORTFOLIO: OPERATING FUND		1,313,624,614.00			1.167	1,321,550,504.48	170,026.39	1,321,720,530.87
PORTFOLIO: ST. LAWRENCE SPEC								
FEDERAL HOME LOAN								
313384SS9	FED'L HOME LOAN DISCOUNT	<u>1,680,000.00</u>	2/5/2016		<u>0.274</u>	<u>1,675,413.60</u>	<u>0.00</u>	<u>1,675,413.60</u>
Subtotal:	FEDERAL HOME LOAN	<u>1,680,000.00</u>			<u>0.274</u>	<u>1,675,413.60</u>	<u>0.00</u>	<u>1,675,413.60</u>
Subtotal: PORTFOLIO: ST. LAWRENCE SPEC		1,680,000.00			0.274	1,675,413.60	0.00	1,675,413.60
PORTFOLIO: ST. LAWRENCE CONSTRUCTION								
FEDERAL HOME LOAN								
313384XX2	FHDN	<u>10,900,000.00</u>	6/9/2016		<u>0.330</u>	<u>10,878,548.15</u>	<u>0.00</u>	<u>10,878,548.15</u>
Subtotal:	FEDERAL HOME LOAN	10,900,000.00			0.330	10,878,548.15	0.00	10,878,548.15
FREDDIE MAC								
313396SP9	FMCDN	5,220,000.00	2/2/2016		0.162	5,215,452.80	0.00	5,215,452.80
313396VF7	FMCDN	<u>4,450,000.00</u>	4/6/2016		<u>0.208</u>	<u>4,445,236.03</u>	<u>0.00</u>	<u>4,445,236.03</u>
Subtotal:	FREDDIE MAC	<u>9,670,000.00</u>				<u>9,660,688.83</u>	<u>0.00</u>	<u>9,660,688.83</u>
Subtotal: PORTFOLIO: ST. LAWRENCE CONSTRUCTION		20,570,000.00			0.261	20,539,236.98	0.00	20,539,236.98
GRAND TOTAL		1,395,892,054.00			1.274	1,403,794,075.40	170,026.39	1,403,964,101.79

POWER AUTHORITY OF THE STATE OF NEW YORK
Summary of Bids/Offers Solicited for the Purchase and Sale of Securities
For the Year Ended December 31, 2015

<u>Brokers</u>	<u>Bids/Offers Accepted</u>	<u>Bids/Offers Solicited</u>	<u>Total Cost Purchases/Sales</u>	<u>CDs and Repurchase Agreements</u>	<u>Total Transactions</u>
Bank of America Securities	11	87	51,262,339.38	97,900,000	\$ 149,162,339
Barclays Capital Inc.	1	71	11,100,091.23		\$ 11,100,091
Blaylock Robert Van LLC	1	3	2,732,519.80		\$ 2,732,520
CastleOak Securities L.P.	3	8	26,351,719.15		\$ 26,351,719
Citigroup Global Markets	14	20	146,039,671.98		\$ 146,039,672
Drexel Hamilton	12	22	11,462,657.42		\$ 11,462,657
Great Pacific Securities	2	3	30,090,719.44		\$ 30,090,719
Key Bank	26	26	-	3,792,440	\$ 3,792,440
Loop Capital Markets LLC	13	26	65,072,702.89		\$ 65,072,703
MFR	1	1	4,899,162.93		\$ 4,899,163
Mizuho Securities USA Inc.	86	124	141,737,638.68	3,322,489,461	\$ 3,464,227,099
RBC Capital Markets	44	115	69,918,844.84	1,903,000,000	\$ 1,972,918,845
Grand Total	214	506	\$ 560,668,068	\$ 5,327,181,901	\$ 5,887,849,969