

***ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD***

MINUTES

May 20, 2003

Video Conference – 10:30 a.m.

30 South Pearl Street, 10th Floor, Albany, NY

123 Main Street, 14th Floor, White Plains, NY

Univisions – 107 Twin Oaks Drive, Syracuse, NY

Empire State Development Corp. – 633 Third Avenue, New York, NY

1. Ratification of Power for Jobs Allocations to Curtis Screw and Schweizer Aircraft Corp
2. Approval of the Minutes of the Meeting of April 22, 2003

RE-APPLICATIONS FOR POWER FOR JOBS POWER

3. Niagara Mohawk - Service Territory

Albany International Corporation – Albany
Albany – Albany County

Albany International Corporation – Homer
Homer – Cortland County

Albany International Corporation - Rensselaer
Rensselaer – Rensselaer County

Albany Molecular Research, Inc.
Albany – Albany County

Anheuser-Busch, Inc.
Baldwinsville – Onondaga County

Ball Plastic Container
Baldwinsville - Onondaga County

Dot Foods (Drescher Corporation)
Liverpool – Onondaga County

The Bank of New York
Oriskany – Oneida County

4. New York State Electric & Gas Corp. - Service Territory

Kraft Foods
New Berlin – Chenango County

Mountainside Farms
Roxbury – Delaware County

National Pipe & Plastics, Inc.
Vestal – Broome County

APPLICATIONS FOR POWER FOR JOBS POWER - NEW APPLICATIONS

5. Long Island Power Authority – Service Territory

Ademco Group
Syosset – Nassau County

Ultimate Precision Metal Products, Inc.
Farmingdale – Suffolk County

6. Niagara Mohawk – Service Territory

ATOFINA Chemicals, Inc.
Piffard – Livingston County

Borg Warner Automotive Morse TEC Corp.
Cortland – Cortland County

Finch Pruyn & Company, Inc.
Glens Falls – Warren County

Hand Held Products, Inc. dba HHP
Skaneateles Falls – Onondaga County

Jacquith Industries, Inc.
Syracuse – Onondaga Country

UltrePET, LLC
Albany – Albany County

7. New York State Electric & Gas Corp. - Service Territory

Morningstar Foods, Inc.
Delhi – Delaware County

Therm, Inc.
Ithaca – Tompkins County

8. Orange & Rockland – Service Territory

Kolmar Laboratories, Inc.
Port Jervis – Orange County

9. Rochester Gas & Electric – Service Territory

Gorbel, Inc.
Fisher – Ontario County

Jasco Tools, Inc.
Rochester – Monroe County

OTHER BUSINESS

10. Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications
11. Next Meeting
12. Closing

A regular meeting of the Economic Development Power Allocation Board was held via video conference at the following participating locations:

- 1) New York Power Authority, 30 South Pearl Street, 10th Floor, Board Room, Albany, NY, 12207
- 2) New York Power Authority, 123 Main Street, 17th Floor Conference Room, New York, NY 10018
- 3) Univisions Communications Group, 107 Twin Oaks Drive, Syracuse, NY, 12306
- 4) Empire State Development Corp., 633 Third Avenue, New York, NY

The following Members of the Board were present at the following locations:

Louis P. Ciminelli, Chairman (Albany)
H. Douglas Barclay, Member (Syracuse)
Kevin S. Corbett, Member (New York, NY)

James A. Duncan, Member (Excused)

Also in attendance were:

Eugene W. Zeltmann	President and Chief Executive Officer, NYPA
Louise M. Morman	Senior Vice President – Marketing & Economic Development, NYPA
Thomas Warmath	Vice President and Chief Risk Officer, NYPA
James H. Yates	Vice President - Major Account Marketing & Economic Development, NYPA
Joseph J. Carline	Assistant General Counsel – Power & Transmission, NYPA
Dennis Eccleston	Chief Information Officer
Angela D. Graves	Deputy Secretary, NYPA
Gary Paslow	Executive Director - Policy Development, NYPA
John B. Hamor	Director Inter-Governmental Relations, NYPA
John L. Murphy	Director – Public Relations, NYPA
James F. Pasquale	Manager – Business Power Allocations and Compliance, NYPA
Andrew J. McLaughlin	Assistant Secretary – Legal Affairs, NYPA
Bonnie Fahey	Executive Assistant, NYPA
Andrea Phillips	Legislation Liaison, NYPA
Teresa M. Barrett	Law Assistant, NYPA
Nicolina Marchese	Communications Specialist II, NYPA
Michael Santarcangelo	Director – Energy Policy, Empire State Development Corp.

1. **Ratification of Power for Jobs Allocations to Curtis Screw and Schweizer Aircraft Corp**

At Chairman Ciminelli's request, Mr. Pasquale summarized the application status of the reapplication to Curtis Screw which had been considered by the Board at its meeting of March 20, 2003, and the status of the new application to Schweizer Aircraft Corp. considered at the meeting of April 22, 2003.

Board Member Corbett affirmatively ratified the Board's approval of aforesaid allocations.

2. **Adoption of Minutes**

The minutes of the meeting of April 22, 2003, were unanimously adopted.

3. Niagara Mohawk - Service Territory

The members of the Board considered the eight re-allocations listed below for Power for Jobs. Mr. Pasquale explained that some 2,413 jobs would be impacted.

The following resolution was unanimously adopted by the Members of the Board present:

WHEREAS, the following entities in Niagara Mohawk's service territory have applied for allocations of Power for Jobs service:

**Albany International Corporation – Albany
Albany – Albany County**

**Albany International Corporation – Homer
Homer – Cortland County**

**Albany International Corporation - Rensselaer
Rensselaer – Rensselaer County**

**Albany Molecular Research, Inc.
Albany – Albany County**

**Anheuser-Busch, Inc.
Baldwinsville – Onondaga County**

**Ball Plastic Container
Baldwinsville - Onondaga County**

**Dot Foods (Drescher Corporation)
Liverpool – Onondaga County**

**The Bank of New York
Oriskany – Oneida County**

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board commends to the Power Authority of the State of New York eight re-allocations discussed herein totaling 10,600 kW for Niagara Mohawk's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicants to maintain a total of 2,413 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

4. New York State Electric & Gas - Service Territory

The members of the Board considered the three re-allocations listed below for Power for Jobs. Mr. Pasquale explained that some 320 jobs would be impacted.

The following resolution was unanimously adopted by the Members of the Board:

WHEREAS, the following entities in NYSEG's service territory have applied for allocations of Power for Jobs service:

**Kraft Foods
New Berlin – Chenango County**

**Mountainside Farms
Roxbury – Delaware County**

**National Pipe & Plastics, Inc.
Vestal – Broome County**

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the three re-allocations discussed herein totaling 2,250 kW for NYSEG's service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- **applicants to maintain a total of 320 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.**

5. Long Island Power Authority - Service Territory

The Members of the Board considered the two applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the Long Island Power Authority service territory.

Ademco Group (“Ademco”) –Ademco is a consortium of several companies that manufacture electronic security products for sale to licensed security dealers for professional installation. They are a division of Honeywell Corp. and the world’s leader in wired and wireless security systems, intrusion sensors and control station equipment. A Power for Jobs allocation will allow them to retain their existing employment level.

Ultimate Precision Metal Products, Inc. (“Ultimate Precision”) – Ultimate Precision produces climate controlled enclosures, cable and server enclosures, racks, metal fabricated parts, broadcasting racks, industrial bake ovens and proof boxes. A Power for Jobs allocation will reduce their operating costs and help the company remain competitive.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Ademco Group and Ultimate Precision Metal Products, Inc. have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 900 kW would result in a ratio of 672 jobs per MW for Ademco Group; an allocation of 250 kW would result in a ratio of 428 jobs per MW for Ultimate Precision Metal Products, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York allocations totaling 1,150 kW for Long Island Power Authority’s service territory for three years but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- **applicants to maintain a total of 712 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

6. Niagara Mohawk – Service Territory

The Members of the Board considered the six applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the Niagara Mohawk service territory.

ATOFINA Chemicals, Inc. (“ATOFINA”) – ATOFINA’s Geneseo, NY facility is a chemical manufacturing plant in continuous operation on a 300 acre site since 1953. The facility is a leading manufacturer of organic peroxides, used primarily in the plastics industry. A Power for Jobs allocation will allow the plant to become more competitive both with other U.S. ATOFINA plants and with U.S. and Global competition. This will help the plant retain the current job base and compete for new production should opportunities arise.

BorgWarner Morse TEC Corporation (“BorgWarner Morse”) – BorgWarner Morse has been in the Ithaca area for over 100 years. Growth in Ithaca has resulted in over 1,000 new jobs in the past 15 years. They manufacture automotive components including powered metal gears and sprockets. A Power for Jobs allocation will help them lower their costs and stay competitive.

Finch Pruyn & Company, Inc. (“Finch, Pruyn”) – Finch, Pruyn is a 138-year-old independent, locally owned manufacturer of premium uncoated printing papers, located in Glens Falls. They produce approximately 240,000 tons per year of uncoated paper for advertising, book publishing and business office uses. A Power for Jobs allocation will allow for job retention at their paper mill and the addition of new jobs upon the restart of their Pulp Mill.

Hand Held Products, Inc. dba HHP (“HHP”) – HHP was started in July of 1999 as a wholly owned subsidiary of Welch Allyn, Inc. They make hand held scanners, mobile wireless computers, digital cameras for commercial use and financial transaction terminals. Some of the customers of HHP are retail stores, warehouses and package delivery companies. A Power for Jobs allocation will help insure the future of the company and its employees by allowing the company to keep investing in new products. These new products will keep the company competitive in its market.

Jaquith Industries, Inc. (“Jaquith”) – Jaquith Industries is a steel fabrication company manufacturing airport lighting hardware, concrete pouring forms and custom fabricated products. A Power for Jobs allocation will help Jaquith to remain competitive with its out of state competitors, thus keeping its existing workforce in New York State and creating new jobs as the company works toward adding a second shift.

UltrePET, LLC (“UltrePET”) – UltrPET is a reclaimer of post consumer soda bottles with \$20 million in revenues. The company processes nearly 5 million bottles per month from deposit and curbside sources in New York State and New England. A reduced power cost will help them keep these jobs at this location and reduce their overhead.

Following consideration of such applications, the members of the Board present voted to adopt the following resolution by a vote of two in favor and one abstention. Mr. Barclay abstained from voting on the proposed allocation to “Hand Held Products, Inc.” This application will be ratified at the June 24, 2003 meeting.

WHEREAS, ATOFINA Chemicals, Inc., the BorgWarner Morse TEC Corporation, Finch Pruyn & Company, Inc., Hand Held Products, Inc. dba HHP, Jaquith Industries, Inc., and UltrPET, LLC have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 1,000 kW would result in a ratio of 118 jobs per MW for the ATOFINA Chemicals, Inc.; an allocation of 1,500 kW would result in a ratio of 177 jobs per MW for BorgWarner Morse TEC Corporation; an allocation of 5,000 kW would result in a ratio of 167 jobs per MW for Finch Pruyn & Company, Inc.; an allocation of 750 kW would result in a ratio of 581 jobs per MW for Hand Held Products, Inc. dba HHP; an allocation of 250 kW would result in a ratio of 412 jobs per MW for Jaquith Industries, Inc.; an allocation of 600 kW would result in a ratio of 102 jobs per MW for UltrPET, LLC;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirement of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York allocations totaling 9,100 kW for Niagara Mohawk's service territory for three years but no longer than December 31, 2005, and that the following terms be incorporated into the Power Authority's contracts for Power for Jobs Service:

- applicants to maintain a total of 1,820 jobs;
- such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority's standard form of contract for Power for Jobs Service.

7. **New York State Electric & Gas – Service Territory**

The Members of the Board considered the two applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the NYSE&G service territory.

Morningstar Foods, Inc. (“Morningstar Foods”) – Morningstar Foods is a wholly owned subsidiary of Dean Foods. This facility produces ultrapasteurized milk and milk products, inclining half and half, ice cream mix, whipping cream and aerosol topping. They are building a new refrigeration storage area for corporate distribution of their finished products . A Power for Jobs allocation will help them reduce their costs.

Therm, Inc. (“Therm”) – Therm is a contract manufacturer of jet engine turbine airfoils for a global base of major jet engine and industrial turbine manufacturers. Therm has been operating in Ithaca since 1935, and Therm needs a Power for Jobs allocation to remain competitive. The higher the cost of power the less competitive they are in their market place. If it can’t reduce its operating expenses orders will not be won, forcing the company to downsize.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Morningstar Foods, Inc. and Therm, Inc. have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 600 kW would result in a ratio of 150 jobs per MW for Morningstar Foods, Inc.; an allocation of 900 kW would result in a ratio of 144 jobs per MW for Therm, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the two re-allocations discussed herein totaling 1,500 kW for NYSEG’s service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- **applicants to maintain a total of 220 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

8. Orange & Rockland – Service Territory

The Members of the Board considered the application for Power for Jobs (“PFJ”) submitted on behalf of the following company in the NYSE&G service territory.

Kolmar Laboratories, Inc. (“Kolmar”) – Kolmar has been a cosmetics manufacturer in Port Jarvis since 1940. They provide cosmetics services for leading cosmetic firms and personal care/pharmaceutical firms. They offer complete turnkey projects from research and development to manufacturing and assembly of finished goods. A Power for Jobs allocation will help it maintain their job base and reduce their costs. As a result Kolmar will be more competitive.

Following consideration of such application, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Kolmar Laboratories, Inc. has applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 1,000 kW would result in a ratio of 539 jobs per MW for Kolmar Laboratories, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such application meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the allocation discussed herein totaling 1,000 kW for NYSEG’s service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- **applicant to maintain a total of 539 jobs;**
- **such allocation shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

9. Rochester Gas & Electric - Service Territory

The Members of the Board considered the two applications for Power for Jobs (“PFJ”) submitted on behalf of the following companies in the RG&E service territory.

Gorbel, Inc. (“Gorbel”) – Gorbel began doing business in 1977 as a manufacturer of high quality jib cranes. They also recently entered the enclosed track market. Electricity is a large part of their operating costs. A Power for Jobs allocation would allow them to continue to grow and operate cost effectively.

Jasco Tools, Inc. (“Jasco”) – Jasco provides standard and special metal cutting tools, precision machined components and heat treatment services to a global industries base. In addition Jasco maintains industrial distribution entities in Rochester as well as in eight countries around the world. Having a Power for Jobs allocation would contribute to Jasco’s ability to maintain and hopefully expand in Rochester.

Following consideration of such applications, the members of the Board present voted unanimously to adopt the following resolution.

WHEREAS, Gorbel, Inc. and Jasco Tools, Inc. have applied for allocations of Power for Jobs Service; and

WHEREAS, an allocation of 450 kW would result in a ratio of 391 jobs per MW for Gorbel, Inc.; an allocation of 500 kW would result in a ratio of 196 jobs per MW for Jasco Tools, Inc.;

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meets the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000 and Chapter 226 of the Laws of 2002, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the two allocations discussed herein totaling 950 kW for RG&E’s service territory for three years, but not longer than December 31, 2005, and that the following terms be incorporated into the Power Authority’s contracts for Power for Jobs Service:

- **applicants to maintain a total of 274 jobs;**
- **such allocations shall be subject to the reduction of power and affirmative action provisions set forth in the Power Authority’s standard form of contract for Power for Jobs Service.**

10. **Informational Item - Power for Jobs - Status of Approved Applications and Summary of Action on Applications**

11. Next Meeting

It was determined that the next meeting of the Board would take place on June 24, 2003, at 10:00 a.m.

12. Closing

Upon motion duly made and seconded, the meeting was adjourned at 10:50 a.m.