

**MINUTES OF THE MEETING  
OF  
THE GOVERNANCE COMMITTEE**

**November 12, 2009**

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A meeting of the Governance Committee was held via videoconference at the Authority's offices at the St. Lawrence/FDR Power Project, 830 Barnhart Island, Massena, New York, the Niagara Power Project, 5777 Lewiston Road, Lewiston, New York; the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York and 30 South Pearl Street, Albany, New York at approximately 10:00 a.m.

**The following Members of the Governance Committee were present:**

*Trustee Eugene L. Nicandri, Chairperson*  
*Trustee Elise M. Cusack*

**Also in attendance were:**

|                           |   |
|---------------------------|---|
| <i>Gil Quiniones</i>      | <i>Chief Operating Officer</i>                              |
| <i>Terryl Brown</i>       | <i>Executive Vice President and General Counsel</i>         |
| <i>Joseph Del Sindaco</i> | <i>Executive Vice President and Chief Financial Officer</i> |
| <i>Joan Tursi</i>         | <i>Senior Vice President – Enterprise Shared Services</i>   |
| <i>Patricia Leto</i>      | <i>Vice President - Procurement</i>                         |
| <i>Lesly Pardo</i>        | <i>Vice President – Internal Audit</i>                      |
| <i>Karen Delince</i>      | <i>Corporate Secretary</i>                                  |
| <i>Angela Graves</i>      | <i>Deputy Corporate Secretary</i>                           |
| <i>Mark O'Connor</i>      | <i>Director – Real Estate</i>                               |
| <i>James Ondishin</i>     | <i>Manager – Fuel Operations</i>                            |
| <i>Mary Jean Frank</i>    | <i>Associate Corporate Secretary</i>                        |
| <i>Lorna Johnson</i>      | <i>Assistant Corporate Secretary</i>                        |
| <i>Louise Nestler</i>     | <i>Assistant Ethics Officer</i>                             |
| <i>Shannon Galloway</i>   | <i>Senior Treasury Analyst</i>                              |

1. **Minutes of the Regular Meeting of July 27, 2009**

The minutes of the Committee's meeting of July 27, 2009 were adopted.

## 2. Procurement and Real Estate Division Report

Overviews were presented as follows:

### Procurement Contract Activity through September 30, 2009 (Ms. Patricia Leto)

- 1,833 contracts (excluding fossil fuel) greater than \$5,000 in value were active.
- The overall value of these contracts is more than \$1.27 billion, with more than \$222 million in contract expenditures for the first three quarters of the year.
- More than 43% of the contracts are for the purchase of equipment and commodities.
- Services such as technician work and contracted personnel accounted for 33% of the contracts.
- More than 15% of the contracts are for consulting services (e.g., engineering, design, and specialized analysis).
- Approximately 9% of the contracts are for construction work.
- Based on the total value of the contracts included in the summary, approximately 94% of the total dollars expended (excluding fuels and corporate finances) were for contracts that were competitively bid
- In terms of the number of contracts processed, 69% of the contracts were competitively bid, while 31% were sole-source awards, including the purchase of highly specialized spare parts and services from original equipment manufacturers and procurement of services on an emergency basis and from proprietary sources.

In response to a question from Chairman Nicandri, Ms. Leto said that contracts under \$5,000 were procured on a vendor-of-choice basis, which is a more conservative approach than that of the State of New York, which allows vendor of choice for contracts up to \$15,000 in value. She said that generally three to five bids were solicited for Authority contracts between \$5,000 and \$15,000. Responding to another question from Chairman Nicandri, Ms. Leto said that the Authority can choose to “piggyback” on contracts procured by the New York State Office of General Services (“OGS”), rather than go through a competitive procurement process. She said that the Authority will often ask OGS contract vehicle vendors to bid against each other.

**Fuel Purchases (Mr. James Ondishin)**

- From July 1 through September 30, 2009, a total of \$60 million was spent on fuel purchases, all but \$2,000 for natural gas and related costs. These fuel purchases were carried out through 47 contracts for natural gas and fuel oil, as well as pipeline transportation and related services.
- The price of natural gas for the New York City market is about \$4 per dekatherm (the equivalent of 1 million Btus).
- Current oil prices on a per-barrel basis are as follows:
  - Crude - \$79
  - #6 residual (Poletti) - \$77
  - #2 (Flynn) - \$87
  - Jet/kero (500 MW) - \$94
- Staff expects continued softness in natural gas prices through January due to the weak economy, declining demand and increased inventories, with prices increasing early in 2010 on a seasonal basis. Oil prices have been relatively flat for the past month or so.
- During the third quarter, the Authority spent \$1.5 million on natural gas sold by Allied, a New York State Certified Minority/Women-Owned Business; year-to-date expenditures with Allied are \$2.8 million. Staff is committed to further developing the Authority's M/WBE program for fuel purchases.

2. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH SEPTEMBER, 2009

FACILITY: WPO FOSSIL FUELS

| CONTRACT NUMBER | PROVIDER NAME   | CONTRACT DESCRIPTION          | T<br>E | M<br>A | R<br>A | O<br>A | N<br>A | P<br>A | F<br>A | M<br>E | B<br>S | TOTAL CONTRACT AMOUNT | TOTAL EXPENDED TO DATE | AMOUNT EXPENDED TO SEPT 2009 | CONTRACT BALANCE | DATE OF CONTRACT | O / C | PROJ COMPLETE DATE | DATE CONTRACT COMPLETE |
|-----------------|---|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|------------------------|------------------------------|------------------|------------------|-------|--------------------|------------------------|
| FD-2008-10      | UNITED ENERGY TRADING, LLC<br>215 Union Blvd. Suite 425<br>Lakewood CO 80228                              | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$4,547,030           | \$4,547,030            | \$4,547,030                  | \$0              | 11/19/2008       | O     | *                  |                        |
| FD-2008-11      | ALLIED ENERGY RESOURCES CORPORATION<br>1330 Post Oak Blvd Suite 2200<br>Houston, TX 77056                 | Natural Gas Purchase          | E      | B      |        |        |        |        | F      | X      | 24     | \$2,880,662           | \$2,880,662            | \$2,880,662                  | \$0              | 12/01/08         | O     | *                  |                        |
| FD-2007-09      | ENJET, INC<br>5373 West Alabama- Suite 502<br>Houston, TX 77056   | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$107,700,191         | \$107,700,191          | \$20,311,264                 | \$0              | 3/21/2007        | O     | *                  |                        |
| FD-2001-23      | SEMPRA<br>58 Commerce Road<br>Stamford, CT 06902  | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$168,290,671         | \$168,290,671          | \$2,265,273                  | \$0              | 12/01/01         | O     | *                  |                        |
| FD-2001-28      | nationalgrid<br>One Metrotech Center<br>Brooklyn, NY 11201<br>100 E Old County Rd<br>Hicksville, NY 11801 | Transport & Balancing Service | E      | B      |        |        |        |        | F      |        |        | \$22,608,536          | \$22,608,536           | \$126,295                    | \$0              | 07/13/01         | C     |                    | 02/28/09               |
| FD-2009-03      | nationalgrid -LI (Flynn)<br>100 E Old County Rd<br>Hicksville, NY 11801                                   | Balancing Service             | E      | S      |        |        |        |        | O      | F      |        | \$825,000             | \$825,000              | \$825,000                    | \$0              | 01/01/09         | O     | 12/31/14           |                        |
| FD-2009-04      | nationalgrid -LI (Flynn)<br>100 E Old County Rd<br>Hicksville, NY 11801                                   | Transport Service             | E      | S      |        |        |        |        | O      | F      |        | \$1,822,001           | \$1,822,001            | \$1,822,001                  | \$0              | 01/01/09         | O     | 12/31/14           |                        |
| FD-2009-05      | nationalgrid-NY(GKP)<br>One Metrotech Center<br>Brooklyn, NY 11201  | Transport Service             | E      | S      |        |        |        |        | O      | F      |        | \$385,848             | \$385,848              | \$385,848                    | \$0              | 03/01/09         | O     | 03/31/14           |                        |
| FD-2009-06      | nationalgrid -LI(Brentwood)<br>100 E Old County Rd<br>Hicksville, NY 11801                                | Transport Service             | E      | S      |        |        |        |        | O      | F      |        | \$23,534              | \$23,534               | \$23,534                     | \$0              | 03/01/09         | O     | 03/31/14           |                        |
| FD-2002-11      | PSEG ENERGY RESOURCES<br>80 Park Plaza FI T19<br>Newark, NJ 07102   | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$11,017,721          | \$11,017,721           | \$0                          | \$0              | 11/01/02         | O     | *                  |                        |
| FD-2003-09      | J. ARON<br>85 Broad Street<br>New York, NY 10004  | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$83,241,402          | \$83,241,402           | \$0                          | \$0              | 04/22/03         | O     | *                  |                        |
| FD-2003-10      | BP ENERGY COMPANY<br>501 WestLake Park<br>Houston, TX 77253   | Natural Gas Purchase          | E      | B      |        |        |        |        | F      |        | 24     | \$150,694,174         | \$150,694,174          | \$612,670                    | \$0              | 10/01/04         | O     | *                  |                        |

2. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH SEPTEMBER, 2009

FACILITY: WPO FOSSIL FUELS

| CONTRACT NUMBER | PROVIDER NAME   | CONTRACT DESCRIPTION                | T<br>E | Y<br>A | M<br>A | R<br>A | O<br>A | P<br>A | M<br>E | B<br>S | D<br>S | TOTAL CONTRACT AMOUNT | TOTAL EXPENDED TO DATE | AMOUNT EXPENDED TO SEPT 2009 | CONTRACT BALANCE | DATE OF CONTRACT | O / C | PROJ COMPLETE DATE | DATE CONTRACT COMPLETE |
|-----------------|---|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|------------------------|------------------------------|------------------|------------------|-------|--------------------|------------------------|
| FD-2003-12      | CONSTELLATION POWER SOURCE<br>111 MARKET Place<br>BALTIMORE, MD 21202                 | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$55,860,651          | \$55,860,651           | \$0                          | \$0              | 06/09/03         | O     | *                  |                        |
| FD-2003-15      | VIRGINIA POWER ENERGY MARKETING<br>P. O. Box 25773<br>Richmond, VA 23360              | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$445,913,023         | \$445,913,023          | \$28,036,187                 | \$0              | 07/11/03         | O     | *                  |                        |
| FD-2004-08      | SHELL ENERGY NA (formerly)<br>CORAL ENERGY<br>909 Fannin Plaza<br>Houston, TX 77010   | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$45,498,408          | \$45,498,408           | \$9,419,341                  | \$0              | 04/01/04         | O     | *                  |                        |
| FD-2004-09      | SOUTHWEST ENERGY LP<br>Two Greenway Plaza<br>Houston, TX 77046                        | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$179,461,649         | \$179,461,649          | \$0                          | \$0              | 06/01/04         | O     | *                  |                        |
| FD-2004-14      | ONEOK ENERGY SERVICES CO.<br>100 West Fifth Street<br>Tulsa, OK 74103                 | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$78,323,261          | \$78,323,261           | \$10,572,788                 | \$0              | 11/01/04         | O     | *                  |                        |
| FD-2005-02      | BOSS ENERGY LTD<br>20445 State Hwy 249<br>Houston, TX 77070                           | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$72,725,728          | \$72,725,728           | \$2,842,358                  | \$0              | 01/25/05         | O     | *                  |                        |
| FD-2005-12      | NJR ENERGY SERVICES CO.<br>1415 Wyckoff Road<br>Wall, NJ 07719                        | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$96,337,910          | \$96,337,910           | \$13,049,367                 | \$0              | 09/01/05         | O     | *                  |                        |
| FD-2006-03      | UBS AG / UBS ENERGY LLC<br>677 Washington Blvd<br>Stamford, CT 06901                  | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$121,768,917         | \$121,768,917          | \$13,633,524                 | \$0              | 07/28/06         | O     | *                  |                        |
| FD-2006-05      | PETROCOM VENTURES LTD<br>1616 S Voss Suite 945<br>Houston, TX 77057                   | Natural Gas Purchase                | E      | B      |        |        |        | F      |        |        | 24     | \$44,715,916          | \$44,715,916           | \$0                          | \$0              | 07/21/06         | O     | *                  |                        |
| FD-2006-07      | TEXAS GAS TRANSMISSION<br>3800 Frederica Street<br>Owensboro, KY 42301                | Firm Gas Transport/Demand Agreement | S      | S      |        |        |        | F      |        |        |        | \$12,258,863          | \$12,258,863           | \$2,516,088                  | \$0              | 07/01/06         | O     | 10/31/17           |                        |
| FD-2006-08      | DOMINION TRANSMISSION<br>120 Tredegar Street<br>Richmond, VA 23219                    | Firm Gas Transport/Demand Agreement | S      | S      |        |        |        | F      |        |        |        | \$8,563,408           | \$8,563,408            | \$1,990,757                  | \$0              | 07/01/06         | O     | 10/31/17           |                        |
| FD-2006-09      | TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316)<br>2800 Post Oak Blvd<br>Houston, TX 77056 | Firm Gas Transport/Demand Agreement | S      | S      |        |        |        | F      |        |        |        | \$4,787,361           | \$4,787,361            | \$1,079,875                  | \$0              | 08/04/06         | O     | 03/31/17           |                        |

2. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH SEPTEMBER, 2009

FACILITY: WPO FOSSIL FUELS

| CONTRACT NUMBER | PROVIDER NAME   | CONTRACT DESCRIPTION           | T<br>E | M<br>A | R<br>A | O<br>A | P<br>A | B<br>A | M<br>E | B<br>S | TOTAL CONTRACT AMOUNT | TOTAL EXPENDED TO DATE | AMOUNT EXPENDED TO SEPT 2009 | CONTRACT BALANCE | DATE OF CONTRACT | O / C | PROJ COMPLETE DATE | DATE CONTRACT COMPLETE |
|-----------------|---|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|------------------------|------------------------------|------------------|------------------|-------|--------------------|------------------------|
| FD-2006-12      | TENASKA MARKETING VENTURES<br>11718 Nicholas Street<br>Omaha, NE 68154  | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$8,554,167           | \$8,554,167            | \$563,925                    | \$0              | 10/01/06         | O     | *                  |                        |
| FD-2007-08      | SPARK ENERGY GAS, LP<br>(Formerly Utility Resources Solutions)<br>3010 Briorpark Dr. Suite 550<br>Houston, TX 77042 | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$72,749,405          | \$72,749,405           | \$6,780,274                  | \$0              | 02/14/07         | O     | *                  |                        |
| FD-2007-10      | ASTORIA GENERATING COMPANY, LP<br>18-01 20th Avenue<br>Astoria, New York 11105                                      | Oil Delivery Labor Fees        | S      | S      |        |        | F      |        |        |        | \$34,302              | \$34,302               | \$3,780                      | \$0              | 7/17/2006        | O     | *                  |                        |
| FD-2008-01      | eCORP ENERGY MARKETING<br>TEN THOUSAND MEMORIAL<br>Houston, TX 77024-3410   | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$72,450              | \$72,450               | \$0                          | \$0              | 02/01/08         | O     | *                  |                        |
| FD-2008-02      | CIMA-ENERGY LTD.<br>1221 McKinney<br>Houston, Tx 77010  | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$12,476,972          | \$12,476,972           | \$2,589,488                  | \$0              | 03/01/08         | O     | *                  |                        |
| FD-2008-05      | SEQUENT ENERGY MGT<br>1200 Smith Street<br>Houston, TX 77010  | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$29,523,550          | \$29,523,550           | \$8,821,699                  | \$0              | 03/01/08         | O     | *                  |                        |
| FD-1990-33      | NORTHVILLE INDUSTRIES CORP<br>(Formerly TOSCO PIPELINE COMPANY)<br>25 Melville Park Rd<br>Melville, NY 11747        | Oil Storage Agmt (SETAUKET)    | E      | S      |        |        | F      |        |        |        | \$10,817,086          | \$10,817,086           | \$462,889                    | \$0              | 04/01/94         | O     | 09/30/13           |                        |
| FD-1990-34      | NORTHVILLE INDUSTRIES CORP<br>(Formerly TOSCO PIPELINE COMPANY)<br>25 Melville Park Rd<br>Melville, NY 11747        | Oil Storage Agmt. (HOLTSVILLE) | E      | S      |        |        | F      |        |        |        | \$3,527,037           | \$3,527,037            | \$113,043                    | \$0              | 10/01/93         | O     | 09/30/13           |                        |
| FS-1994-17      | MERRILL LYNCH<br>(Formerly ENTERGY-KOCH TRADING<br>(FORMERLY KOCH))<br>20 E Greenway Plaza<br>Houston, TX 77046     | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$251,868,629         | \$251,868,629          | \$2,459,789                  | \$0              | 07/01/94         | O     | *                  |                        |
| FS-1997-22      | COLONIAL ENERGY<br>2 Riverway Suite 2000<br>Houston, TX 77056   | Natural Gas Purchase           | E      | B      |        |        | F      |        |        | 24     | \$383,817,854         | \$383,817,854          | \$32,721,258                 | \$0              | 05/01/97         | O     | *                  |                        |



**Corporate Finance Activity (Ms. Shannon Galloway)**

In the first three quarters of 2009, \$1.8 million was paid for non-procurement financial services requiring a broad depth of knowledge and expertise that are provided by a limited group of firms. The non-procurement items include trustees and paying agent services, commercial paper remarketing services, escrow agent services and fees paid for revolving credit agreements supporting the Authority's Commercial Paper and Adjustable Rate Tender Notes Programs. Of the year-to-date amount spent, approximately \$1.4 million is associated with the Authority's revolving credit agreements. Staff expects to finish the year at approximately \$2.5 million, which would be consistent with year-end 2008 spending. In response to a question from Chairman Nicandri, Ms. Galloway said that when Lehman Brothers filed for bankruptcy in September 2008, Barclay's Capital acquired certain segments of Lehman Brothers' North American operations, including the remarketing of municipal commercial paper notes.

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
REPORT OF PROCUREMENT CONTRACTS AS OF 9/30/09  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879  
CORPORATE FINANCE ADDENDUM

CORPORATE FINANCE: WPO

| PROVIDER NAME  | CONTRACT DESCRIPTION                                  | T<br>P<br>E | M<br>O<br>A | R<br>O<br>A | W<br>I<br>E | M<br>B<br>D | TOTAL CONTRACT AMOUNT | TOTAL EXPENDED TO DATE | AMOUNT EXPENDED 9/30/2009 | DATE OF CONTRACT | O<br>C | PROJ<br>COMPLETE DATE | DATE CONTRACT COMPLETE |
|--|---|-------------|-------------|-------------|-------------|-------------|-----------------------|------------------------|---------------------------|------------------|--------|-----------------------|------------------------|
| Bank of New York (formely JPMorgan)<br>101 Barclay Street<br>New York, NY 10286              | Trustee/Paying Agent Services on Bonds                | S           | C           | 9           | N           |             | 295,901               | 295,901                | 25,834                    | 2/24/1998        | O      | *                     |                        |
| Bank of New York (formely JPMorgan)<br>101 Barclay Street<br>New York, NY 10286              | Trustee- ARTN   | S           | C           | 9           | N           |             | 137,384               | 137,384                | 10,574                    | 9/2/2003         | O      | 3/1/2020              |                        |
| Bank of New York (formely JPMorgan)<br>101 Barclay Street<br>New York, NY 10286              | Trustee- Commercial Paper                             | S           | S           | 9           | N           | 1           | 37,933                | 37,933                 | 21,239                    | 10/2/2006        | O      | *                     |                        |
| Bank of Nova Scotia<br>One Liberty Plaze, 26th Fl.<br>New York, NY 10006                     | Revolving Line of Credit for ARTN                     | S           | C           | 9           | N           | 6           | 1,300,901             | 421,050                | 141,955                   | 9/4/2007         | O      | 9/1/2015              |                        |
| Barclays Capital (assigned from Lehman Bros.) **<br>745 Seventh Avenue<br>New York, NY 10019 | Re-marketing Agent CP-1                               | S           | C           | 9           | N           |             | 738,181               | 738,181                | 134,004                   | 7/14/1994        | O      | *                     |                        |
| Barclays Capital (assigned from Lehman Bros.)<br>745 Seventh Avenue<br>New York, NY 10019    | Re-marketing Agent CP-3                               | S           | S           | 9           | N           | 1           | 10,775                | 10,775                 | 2,775                     | 6/26/2008        | O      | *                     |                        |
| Citigroup<br>390 Greenwich Street<br>New York, NY 10013                                      | Re-marketing Agent CP-2                               | S           | C           | 9           | N           |             | 393,925               | 393,925                | 27,255                    | 12/4/1997        | O      | *                     |                        |
| Fiduciary Communications / Source Media<br>One Whitehall, 9th Floor<br>New York, NY 10004    | Bond Calls Printed in Wall St. Journal and Bond Buyer | S           | C           | 9           | N           |             | 298,913               | 298,913                | 46,778                    | 11/24/2003       | O      | *                     |                        |
| Goldman, Sachs & Co.<br>85 Broad Street<br>New York, NY 10004-2456                           | Re-marketing Agent CP-2 and 3                         | S           | C           | 9           | N           |             | 841,713               | 841,713                | 71,121                    | 12/4/1997        | O      | *                     |                        |
| Goldman, Sachs & Co.<br>85 Broad Street<br>New York, NY 10004-2456                           | Re-marketing EMCP                                     | S           | C           | 9           | N           |             | 326,522               | 326,522                | 50,292                    | 3/4/2003         | O      | *                     |                        |
| Goldman, Sachs & Co. **<br>85 Broad Street<br>New York, NY 10004-2456                        | ART Notes Remarketing                                 | S           | C           | 9           | N           |             | 1,553,635             | 1,553,635              | 23,500                    | 5/15/1985        | O      | 3/1/2020              |                        |
| JPMorgan Chase<br>270 Park Avenue<br>New York, NY 10017-2070                                 | Re-marketing Agent CP-2                               | S           | C           | 9           | N           |             | 123,707               | 123,707                | 26,421                    | 6/28/2001        | O      | *                     |                        |
| JPMorgan Chase<br>270 Park Avenue<br>New York, NY 10017-2070                                 | Re-marketing Agent CP-3                               | S           | C           | 9           | N           |             | 515,807               | 515,807                | 17,430                    | 12/4/1997        | O      | *                     |                        |
| JPMorgan Chase<br>270 Park Avenue<br>New York, NY 10017-2070                                 | Escrow Agent POOCR/CASP & LMEI Funds                  | S           | C           | 9           | N           |             | 435,481               | 435,481                | 22,010                    | 5/30/1996        | O      | *                     |                        |

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
 REPORT OF PROCUREMENT CONTRACTS AS OF 9/30/09  
 REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879  
 CORPORATE FINANCE ADDENDUM

CORPORATE FINANCE: WPO

| PROVIDER NAME   | CONTRACT DESCRIPTION               | T<br>Y<br>P<br>E | M<br>R<br>A | R<br>O<br>A | W<br>P<br>A | M<br>B<br>D<br>S | TOTAL CONTRACT AMOUNT | TOTAL EXPENDED TO DATE | AMOUNT EXPENDED 9/30/2009 | DATE OF CONTRACT | O<br>C | PROJ<br>COMPLETE DATE | DATE CONTRACT COMPLETE |
|---|------------------------------------|------------------|-------------|-------------|-------------|------------------|-----------------------|------------------------|---------------------------|------------------|--------|-----------------------|------------------------|
| JPMorgan Chase<br>270 Park Avenue<br>New York, NY 10017-2070                | Revolving Line of Credit 2008      | S                | C           | 9           | N           | 2                | 4,867,222             | 2,359,306              | 1,190,417                 | 1/7/2008         | O      | 1/31/2011             |                        |
| RBC Capital Markets **<br>1211 Avenue of the Americas<br>New York, NY 10036 | Re-marketing Agent CP-1            | S                | C           | 9           | N           |                  | 60,659                | 60,659                 | 8,815                     | 7/14/1994        | O      | *                     |                        |
| US Bank<br>60 Livingston Avenue<br>St. Paul, MN 55107                       | Bond Trustee Fee                   | S                | C           | 9           | N           |                  | 290,956               | 290,956                | 14,795                    | 1/1/1999         | O      | *                     |                        |
|   | Total Financial Service Agreements |                  |             |             |             |                  | 12,229,614            | 8,841,846              | 1,835,214                 |                  |        |                       |                        |
|   | Total Number of Agreements         |                  |             |             |             |                  | 17                    |                        |                           |                  |        |                       |                        |

NOTES:  
 \* Contract continues until terminated by NYPA or Counterparty upon specified notice  
 \*\* Expense History only available from 1997

**Supplier Diversity Program (Ms. Joan Tursi)**

- During the third quarter of 2009, the Authority awarded \$12.4 million (or 16.7% of its Reportable Expenditures) on contracts with New York State Certified Minority/Women-Owned Businesses (“M/WBEs”), representing both direct contracts and subcontracts and including construction-related work.
- The Authority’s annual goal for the use of M/WBEs is 6% of its non-specialty procurements. The Authority does not include specialty procurements such as turbine runners, transformers, circuit breakers, other large electrical equipment, natural gas and other specialized goods and services since there are no M/WBEs available to provide these goods and services. Excluding such items, the Authority has attained 19.6% of its Reportable Expenditures as M/WBE expenditures through the third quarter of the year.
- The Authority continues an active outreach program with various M/WBE organizations and trade associations. In support of the Authority’s Environmental Justice initiatives and in continued support of the Supplier Diversity Program, the Authority, in conjunction with National Grid and the Empire State Development Corporation, hosted an Upstate Purchasing Exchange in Buffalo on October 20<sup>th</sup>. Representatives of more than 150 M/WBEs attended, with more than 30 public and private entities participating.
- Ms. Debra White, the Authority’s Manager of Supplier Diversity was named the “2009 Champion for Diversity in the September/October issue of *Diversity* magazine.

Chairman Nicandri said that Ms. White and the other Authority staff working on this effort are to be commended for the outstanding job they’ve done. Trustee Cusack seconded Chairman Nicandri’s sentiments and said that the Authority’s Supplier Diversity accomplishments are something to be proud of.

**Disposal of Personal Property (Joan Tursi)**

Through the third quarter of 2009, the Authority received approximately \$227,643 for all reportable personal property disposed of that had a value of more than \$5,000, including approximately \$156,532 from four sales of scrap material at the Niagara Power Project and \$71,111 from the sale of the fourth Generator Step-Up transformer at the Blenheim-Gilboa Project. Also during this period, 41 disposals conducted on behalf of the Authority's Fleet Operations resulted in net income of \$359,247. The year-to-date total amount received by the Authority for all personal property with a value in excess of \$5,000 that was disposed of in 2009 is approximately \$586,890. In response to a question from Chairman Nicandri, Ms. Tursi said that the fleet vehicles and equipment disposals were conducted in open auctions run by JJ Kane Auctioneers, which has a significant business in utility disposals.

## 2.5

### **DISPOSAL OF PERSONAL PROPERTY** **January – September 2009**

The 2009 YTD Report of Disposal of Personal Property over \$5,000 in value is attached. The description of the property, purchaser's name and price received by the Authority, as required by New York Public Authorities Law §2896, will appear in the 2009 Annual Report of Disposal of Personal Property. The sale price and other additional data required by the Authority Budget Office (such as fair market value, date of transaction, full address of purchaser, etc.) will be included in the 2009 Public Authorities Reporting Information System ("PARIS") Annual Report of Personal Property Disposal.

Page 1 lists five Personal Property Disposal transactions over \$5,000 in value conducted during this period. The first four were conducted at the Niagara Project for the sale of scrap material, resulting in payment to the Authority of \$156,532.35; the fifth was conducted at the White Plains Office on behalf of the Blenheim-Gilboa Project and resulted in payment to the Authority of \$71,111.00 (as further discussed below). There were no such other reportable transactions conducted to date by the other Property Disposal Coordinators ("PDCs") in 2009. The Year-to-Date subtotal amount received by the Authority for the five reportable WPO and Facility PDC Personal Property Disposal transactions is \$227,643.35.

Pages 2 - 3 include 41 disposal transactions conducted on behalf of the Authority's Fleet Operations during this period. The Authority participated in two Fleet-related auctions conducted by the firm JJ Kane Auctioneers on April 25 and August 29, 2009. The April auction resulted in the sale of 48 units (including one lot of 12 trailer hitches), comprising light duty vehicles, heavy duty trucks and special equipment, of which 25 were over \$5,000 in value and are included in the attached Report. The "Sale Price" (Gross) for these 25 units was \$197,750.00, which resulted in a "Price Received by the Authority" (Net) of \$183,017.50 (after commission and transportation costs were deducted). The August auction resulted in the sale of 41 additional units, of which 16 were over \$5,000 in value and are listed in the attached Report. The "Sale Price" (Gross) for these 16 units was \$184,750.00, which resulted in a "Price Received by the Authority" (Net) of \$176,229.50 (after commission and transportation costs were deducted). The Year-to-Date subtotal amount received by the Authority for the 41 reportable Fleet disposal transactions is \$359,247.00.

As summarized on page 4, the Year-to-Date Total Price (Amount) Received by the Authority for all Personal Property with a value in excess of \$5,000 that was disposed of in 2009 is \$586,890.35.

- **Third Quarter 2009:**

In August 2006, the first of four Generator Step-Up transformers at the Blenheim-Gilboa Project was retired, as part of the B-G Life Extension and Modernization project. Bids were solicited to dismantle the transformer for recycling / disposal, in accordance with all

Environmental requirements. A contract was awarded to the high bidder who paid the Authority \$165,000 for the salvage value of copper and other metals (after costs for dismantlement and recycling were taken into account). In September 2007, the second GSU transformer was disposed by another high bidder who paid the Authority \$200,000. In August 2008, a contract was awarded to the high bidder for disposal of the third GSU transformer, who paid the Authority a record price of \$251,666. In June 2009, we solicited proposals for disposal of the fourth GSU transformer at B-G and in July 2009, a contract was awarded to TCI of NY LLC, resulting in a payment to the Authority of \$71,111. Although the value of copper is significantly lower than last year due to the change in market conditions, the reclamation / salvage value of the scrap copper and steel still exceeded the cost of recycling / disposal and fell within the estimated Fair Market Value range.

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2009 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**

| DESCRIPTION  | PURCHASER                             | SALE PRICE    | PRICE RECEIVED<br>by the Authority |
|--|---------------------------------------|---------------|------------------------------------|
| SCRAP ROTOR POLES<br>AT NIAGARA PROJECT                                  | EDWARD ARNOLD<br>SCRAP PROCESSORS INC | \$ 16,222.95  | \$ 16,222.95                       |
| SCRAP ROTOR COILS<br>AT NIAGARA PROJECT                                  | NIAGARA METALS LLC                    | \$ 28,796.00  | \$ 28,796.00                       |
| SCRAP ALUMINUM CABLES<br>AT NIAGARA PROJECT                              | EDWARD ARNOLD<br>SCRAP PROCESSORS INC | \$ 7,764.48   | \$ 7,764.48                        |
| SCRAP COPPER COILS<br>AT NIAGARA PROJECT                                 | EDWARD ARNOLD<br>SCRAP PROCESSORS INC | \$ 103,748.92 | \$ 103,748.92                      |
| GENERATOR STEP-UP<br>TRANSFORMER (BG-3)<br>AT BLENHEIM-GILBOA<br>PROJECT | TCI OF NY LLC                         | \$ 71,111.00  | \$ 71,111.00                       |
|  | SUBTOTAL:                             | \$ 227,643.35 | \$ 227,643.35                      |

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2009 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**  
**FLEET OPERATIONS**

| DESCRIPTION                      | PURCHASER                                    | SALE PRICE  | Commission/<br>Transportation<br>Fees | PRICE<br>RECEIVED*<br>by the<br>Authority |
|----------------------------------|--|-------------|---------------------------------------|---|
| 1987 P&H ALL TERRAIN CRANE       | P AND M LLC                                  | \$36,000.00 | \$1,265.00                            | \$34,735.00                               |
| 1988 INTERNATIONAL UTILITY TRUCK | APOLLO NORTHEAST SALES & SERVICES INC        | \$6,000.00  | \$550.00                              | \$5,450.00                                |
| 1990 BOMBARDIER GO TRACK         | 4496213 CANADA INC                           | \$15,000.00 | \$700.00                              | \$14,300.00                               |
| 1998 CATERPILLAR EXCAVATOR       | TOM STALA                                    | \$19,500.00 | \$1,450.00                            | \$18,050.00                               |
| 1999 MESSER GYRO TRAC            | 4496213 CANADA INC                           | \$9,750.00  | \$430.50                              | \$9,319.50                                |
| 2000 BOBCAT STEER LOADER         | NORTHERN SKY FARM INC                        | \$14,250.00 | \$912.50                              | \$13,337.50                               |
| 2000 CHEVY K2500                 | DANNY ROBBINS                                | \$5,200.00  | \$433.50                              | \$4,766.50                                |
| 2000 CHEVY K2500                 | JOE TAVANO ELECTRIC INC                      | \$5,750.00  | \$357.50                              | \$5,392.50                                |
| 2000 CHEVY K3500                 | UPSTATE AUTO SALES INC                       | \$5,600.00  | \$353.00                              | \$5,247.00                                |
| 2000 STERLING PLOW               | 44926213 CANADA INC                          | \$23,000.00 | \$875.00                              | \$22,125.00                               |
| 2001 DODGE D2500                 | ALL-PHAZE ELECTRIC INC                       | \$10,250.00 | \$762.50                              | \$9,487.50                                |
| 2001 FORD F150                   | JOHN VANDERLAND                              | \$5,750.00  | \$357.50                              | \$5,392.50                                |
| 2001 FORD F250                   | MIRACHI BROTHERS INC                         | \$8,200.00  | \$431.00                              | \$7,769.00                                |
| 2001 FORD F250                   | MIRACHI BROTHERS INC                         | \$8,200.00  | \$431.00                              | \$7,769.00                                |
| 2001 FORD F250                   | MIRACHI BROTHERS INC                         | \$8,200.00  | \$431.00                              | \$7,769.00                                |
| 2001 FORD F350                   | JAMES ATKINS                                 | \$8,100.00  | \$428.00                              | \$7,672.00                                |
| 2001 FORD F350                   | JAMES ATKINS                                 | \$8,900.00  | \$452.00                              | \$8,448.00                                |
| 2002 CHEVY C2500                 | CCI BUILDING SERVICES INC                    | \$8,100.00  | \$428.00                              | \$7,672.00                                |
| 2002 CHEVY K2500                 | SPRAGUE'S COLLISION SERVICE                  | \$7,100.00  | \$555.00                              | \$6,545.00                                |
| 2002 CHEVY K2500                 | THOMAS LADD SR                               | \$13,000.00 | \$575.00                              | \$12,425.00                               |
| 2002 CHEVY TAHOE                 | RATHBUN'S PLUMBING HEATING AND<br>ELECTRICAL | \$7,750.00  | \$561.00                              | \$7,189.00                                |

\* Sale Price less commission / transportation costs

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2009 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**  
**FLEET OPERATIONS**

| <b>DESCRIPTION</b>  | <b>PURCHASER</b>                    | <b>SALE PRICE</b> | <b>Commission/<br/>Transportation<br/>Fees</b> | <b>PRICE<br/>RECEIVED*<br/>by the<br/>Authority</b> |
|---------------------|-------------------------------------|-------------------|--|---|
| 2002 CHEVY TAHOE    | HERBERT YANCEY                      | \$6,600.00        | \$503.50                                       | \$6,096.50  |
| 2002 CHEVY TAHOE    | K & M OF ROME INC                   | \$7,100.00        | \$528.50                                       | \$6,571.50  |
| 2002 FORD F350      | JAMES ATKINS                        | \$8,200.00        | \$431.00                                       | \$7,769.00  |
| 2003 CHEVY K2500    | UPSTATE AUTO SALES INC              | \$5,100.00        | \$428.50                                       | \$4,671.50  |
| 2003 CHEVY K2500    | JAMES BICE                          | \$5,750.00        | \$461.00                                       | \$5,289.00  |
| 2003 CHEVY TAHOE    | D&G EQUIPMENT                       | \$6,750.00        | \$511.00                                       | \$6,239.00  |
| 2003 CHEVY TAHOE    | CCI COMPANIES INC                   | \$7,000.00        | \$523.50                                       | \$6,476.50  |
| 2003 CHEVY TAHOE    | PARKER'S SERVICE INC                | \$5,400.00        | \$443.50                                       | \$4,956.50  |
| 2003 CHEVY TAHOE    | MAJDI W HASAN                       | \$5,400.00        | \$443.50                                       | \$4,956.50  |
| 2003 CHEVY TAHOE    | JENNALEE DENNIS                     | \$7,300.00        | \$538.50                                       | \$6,761.50  |
| 2003 CHEVY TAHOE    | SUSAN STANTON                       | \$5,100.00        | \$428.50                                       | \$4,671.50  |
| 2003 CHEVY TAHOE    | GREGG IACOBUCCI                     | \$7,400.00        | \$543.50                                       | \$6,856.50  |
| 2004 CHEVY K2500    | JOHN NOHILLY EQUIPMENT SALES        | \$13,000.00       | \$575.00                                       | \$12,425.00   |
| 2004 CHEVY TAHOE    | REBEL AUCTIONS                      | \$6,400.00        | \$493.50                                       | \$5,906.50  |
| 2004 CHEVY TAHOE    | REBEL AUCTIONS                      | \$6,400.00        | \$493.50                                       | \$5,906.50  |
| 2004 JEEP CHEROKEE  | NORTHERN EQUIPMENT                  | \$5,500.00        | \$448.50                                       | \$5,051.50  |
| 2005 CHEVY K1500    | O'CONNELL ELECTRIC INC              | \$9,000.00        | \$623.50                                       | \$8,376.50  |
| 2005 CHEVY SUBURBAN | AFFORDABLE AUTO SERVICE & SALES LLC | \$6,600.00        | \$503.50                                       | \$6,096.50  |
| 2005 CHEVY TAHOE    | REBEL AUCTIONS                      | \$6,400.00        | \$493.50                                       | \$5,906.50  |
| 2007 FORD F350      | ALL-PHAZE ELECTRIC INC              | \$18,500.00       | \$1,098.50                                     | \$17,401.50   |

\* Sale Price less commission / transportation costs

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2009 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**  
**FLEET OPERATIONS**

| <b>DESCRIPTION</b> | <b>PURCHASER</b> | <b>SALE PRICE</b>         | <b>Commission/<br/>Transportation<br/>Fees</b> | <b>PRICE<br/>RECEIVED*<br/>by the<br/>Authority</b> |                     |
|--------------------|------------------|---------------------------|--|---|---------------------|
|                    |                  | <b>FLEET SUBTOTAL:</b>    | <b>\$382,500.00</b>                            | <b>\$23,253.00</b>                                  | <b>\$359,247.00</b> |
|                    |                  | <b>+ SUBTOTAL Page 1:</b> | <b>\$227,643.35</b>                            | <b>--</b>   | <b>\$227,643.35</b> |
|                    |                  | <b>GRAND TOTAL:</b>       | <b>\$610,143.35</b>                            | <b>\$23,253.00</b>                                  | <b>\$586,890.35</b> |

\* Sale Price less commission / transportation costs

**Acquisition and Disposal of Real Property (Mr. Mark O'Connor)**

The Real Estate group finalized a four-year search by closing on July 16, 2009 on a 10/3-acre parcel in Buffalo's Old First Ward that will be used as the new permanent warm-weather storage site for the Lake Erie-Niagara River Ice Boom, as well as a neighborhood park. In turn, the Authority will be conveying the old Ice Boom storage site at the Buffalo Outer Harbor to the Erie County Harbor Development Corporation to assist in its efforts to revitalize Buffalo's waterfront. The Authority purchased the new site from Kilian Trucking for \$1.025 million, which was consistent with professional appraisals.

The Authority's White Plains office is essentially 100% leased, with annual revenues from the leases totaling approximately \$4.76 million. In addition, the Authority has entered into a three-year sublease with the Empire State Development Corporation for 1,054 rentable square feet of office space at 95 Perry Street in Buffalo that will be used by the Authority's Public, Governmental and Regulatory Affairs staff, as well as Energy Services and Technology personnel.

The St. Lawrence Lands Program continues to progress, with 487 of 599 acres of former Project land conveyed to adjoining landowners to date in 332 separate parcels. A total of 27 additional parcels remain to be conveyed. The Authority has sent out approximately 96 letters to landowners in the Towns of Waddington and Louisville whose two-year opportunities to purchase have expired. A few of these landowners have declined the opportunity to purchase their parcels. In response to a question from Chairman Nicandri, Mr. O'Connor said that the two-year timeline was established by the Authority. Responding to another question from Chairman Nicandri, Mr. O'Connor said that in some cases the cost of the parcels (\$60,000 to \$80,000 for a few of them) was prohibitive in terms of the landowners being able to purchase them.

## **ACQUISITION AND DISPOSAL OF REAL PROPERTY JULY 1, 2009 – OCTOBER 31, 2009**

Section 2896 of the Public Authorities Law requires a report setting forth all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee approved Expenditure Authorization Procedures. The reporting period is July 1, 2009 through October 31, 2009.

### **I. ACQUISITIONS**

#### Fee Acquisition

The real estate group finalized a multi-year search by closing on July 16, 2009 on a parcel to be used for the new permanent warm weather storage site ("storage site") for the Lake Erie-Niagara River Ice Boom with the site also to serve as the location for a new neighborhood park that NYPA will develop.

It is anticipated that the new storage site, a 10.3 acre parcel in Buffalo's Old First Ward, will be ready to store the ice boom beginning next spring. That will free up the current storage site at the Buffalo Outer Harbor for transfer to the Erie County Harbor Development Corporation to assist its efforts to revitalize the city waterfront. The purchase price of this acquisition is based on negotiation, but consistent with professional appraisals was \$1.025M.

#### Danger Tree Reports/Land Use Permits – Danger tree permits acquired and land use permits issued along NYPA's transmission system.

During this reporting period of July 1, 2009 through October 31, 2009 the Authority acquired 25 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Willis-Plattsburgh, Plattsburgh-Vermont, Gilboa-New Scotland and Moses-Willis-Plattsburgh lines. This is an on-going effort.

Finally, the real estate group issued 5 land use permits for use of the Authority's easement areas in support of the transmission organization. These permits, with their accompanying insurance requirements, assure the use of the Authority's easement by others (generally the underlying fee owner) is consistent with the operation of our transmission lines.

### **II. LEASING**

#### Headquarters Leasing

The Authority maintains facilities which it leases or subleases out to various tenants. The space not occupied by NYPA staff in the building at 123 Main Street (Headquarters) is essentially 100% leased.

During this reporting period, we have not entered into any new leases or renewals with regard to 123 Main Street, although we are currently negotiating an extension agreement with Hodogaya Chemical for office space on the 9<sup>th</sup> floor. We anticipate having this lease renewal in place well ahead of the May 31, 2010 expiration date.

| FACILITY   | TENANT                         | PURPOSE                                 | EXPIRATION     | ANNUAL RENTAL   |
|--|--------------------------------|---|----------------|-----------------|
| WPO  | Bank of New York               | Office Space                            | 7/31/2011      | \$705,612.00    |
| WPO  | Berman Bavero                  | Office Space                            | 9/30/2014      | \$201,211.00    |
| WPO  | Beacon                         | Office Space                            | 3/31/2012      | \$45,000.00     |
| WPO  | Danziger & Markhoff            | Office Space                            | 3/31/2017      | \$431,070.00    |
| WPO  | The Parker Group, Inc.         | Office Space                            | 3/31/2012      | \$66,450.00     |
| WPO  | Hodagaya Chemical              | Office Space                            | 5/31/2010      | \$65,538.00     |
| WPO  | Federal Bar                    | Office Space                            | 7/31/2016      | \$63,817.00     |
| WPO  | Continental III, Inc.          | Restaurant                              | 2/28/2011      | \$33,647.00     |
| WPO  | Arch Wireless                  | Beeper System (WPO Garage)              | 10/31/2011     | \$5,400.00      |
| WPO  | Thomas M. Bona, PC             | Office Space                            | 12/31/2016     | \$266,400.00    |
| WPO  | SKCG Group , Inc.              | Office Space                            | 1/31/2014      | \$464,928.00    |
| WPO  | Community Mutual               | Office Space                            | 4/30/2015      | \$173,491.00    |
| WPO  | Misys                          | Office Space                            | 12/31/2016     | \$646,800.00    |
| WPO  | Westchester Philharmonic       | Office Space                            | 12/31/2009     | \$10,875.00     |
| WPO  | West. Co. Narcotics Initiative | Office Space (Permit for Temporary Use) | 12/31/2011     | \$45,780.00     |
| WPO  | West. Co. District Attorney    | Office Space (Permit for Temporary Use) | 12/31/2011     | \$22,590.00     |
| WPO  | NY State Police                | Office Space (Permit for Temporary Use) | 12/31/2011     | \$47,250.00     |
| WPO  | Empire State Development Corp. | Office Space (Permit for Temporary Use) | OPEN           | \$5,361.00      |
| WPO  | NYS Retirement System          | Office Space - part time                | 12/31/2011     | \$6,900.00      |
| 501 7th Ave.   | OASAS                          | Office Space                            | 4/30/2010      | \$1,447,231.00  |
| SL/FDR   | Lake St. Lawrence Yacht        | Lease of Land                           | OPEN           | \$2,225.00      |
| SL/FDR   | Massena Country Club           | Lease of Land                           | 11/30/2015     | \$2,000.00      |
| SL/FDR   | Twin Brooks Golf Club          | Lease of Land                           | N/A            | \$220.00        |
| SL/FDR   | Town of Waddington             | Agricultural Lease                      | 60 days notice | <u>\$300.00</u> |
|  |                                | TOTAL ANNUAL REVENUES                   |                | \$4,760,096.00  |
| Note: Annual rental amounts are based on the fixed rent excluding any abatements |                                |   |                |                 |

### Leasing Support for Operating Projects and Transmission Facilities

The following transactions were entered into during this reporting period.

The Authority entered into a three year deal with Empire State Development Corp. for office space at 95 Perry Street in Buffalo, NY. This office will generally be used by the Authority's Public, Governmental and Regulatory Affairs staff as well as Energy Services and Technology personnel. The terms of this lease are set forth in the table below:

| <u>Landlord</u>                      | <u>Space</u>           | <u>Expiration</u>                                | <u>Rental</u><br>(including electric and gas) |
|--------------------------------------|------------------------|--|---|
| Empire State Development Corporation | 1,054 rsf <sup>1</sup> | June 30, 2012 plus one three-year Renewal option | \$27,072                                      |

The Authority entered into a short term lease for work and laydown area to construct a decorative fence along the northerly property line of the newly acquired ice boom site. The basic lease terms are set forth below:

| <u>Landlord</u>       | <u>Space</u> | <u>Expiration</u> | <u>Rental</u> |
|-----------------------|--------------|-------------------|---------------|
| Sikorsky and Houlihan | 1.25 acres   | 8/31/2010         | \$24,000      |

The Authority entered into an agreement with Seaway Timber Harvesting, Inc. to allow the Seaway to use a portion of NYPA's leasehold premise at 12 Commerce Drive in Massena. By allowing Seaway timber to utilize a portion of this property for road construction, Seaway was able to connect two parcels it owns. By the Authority's allowing Seaway to use this premises, it greatly enhanced Seaway's operations which now employs 27 full-time employees.

### III. ST. LAWRENCE RELICENSING

#### St. Lawrence Lands Program

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence F.D.R. Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement and issuing the new license.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. With these changes, the Authority intends to transfer jurisdiction over approximately 741 acres at Galop Island State Park and environmentally sensitive lands in Lisbon and Waddington to other state agencies. The remaining approximately 599 acres of removed lands are in the process of being conveyed either to the affected local municipality or to adjoining landowners, if interested. For all conveyed lands, the Authority would retain a flowage easement and, access easements where appropriate to provide necessary rights to traverse conveyed lands for Project-related activities.

To date, of the 599 acres projected to be conveyed approximately 487 acres have been conveyed. The following chart sets forth conveyances made during this reporting period.

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<sup>1</sup> Rentable square feet. NYPA has access to adjacent common areas such as conference room space, computer server rooms, telephone closets, etc.

| Current Owners name                  | NYPA Surplus Parcel No | Surplus Parcel Acres | Appraisal Value | Deed Filed in County Clerk |
|--------------------------------------|------------------------|----------------------|-----------------|----------------------------|
| George p. Dodge and Kathleen C Dodge | 8112                   | 0.23                 | 600             | 7/7/2009                   |
| William Tiernan and Marcia Tiernan   | 8323                   | 0.08                 | 25              | 7/7/2009                   |
| Susan M. Mereau                      | 8523                   | 0.14                 | 2100            | 7/7/2009                   |
| Connie L. Reitz                      | 8517                   | 0.16                 | 2400            | 7/21/2009                  |
| Edward R. and Leona J. Graves        | 8386                   | 0.05                 | 10              | 7/21/2009                  |
| Terry R. and Sue Caswell             | 8369                   | 0.02                 | 100             | 7/21/2009                  |
| Arlene Martin                        | 8250                   | 0.22                 | 100             | 7/21/2009                  |
| Arlene Martin                        | 8251                   | 0.07                 | 25              | 7/21/2009                  |
| Timothy Brady                        | 8723                   | 0.03                 | 15              | 7/21/2009                  |
| Richard C. and Sally M. Wood         | 8068                   | 1.10                 | 2800            | 8/6/2009                   |
| Richard C. and Sally M. Wood         | 8070                   | 0.12                 | 250             | 8/6/2009                   |
| Patricia Ball                        | 8113                   | 0.43                 | 1100            | 8/6/2009                   |
| Daniel Dineen                        | 8252                   | 0.12                 | 40              | 8/6/2009                   |
| Winifred Bartlett Veitch             | 8177                   | 0.23                 | 2800            | 8/6/2009                   |
| Thomas Roidl                         | 8145                   | 0.17                 | 2000            | 8/6/2009                   |
| Donald R. and Cheryl Brining         | 8195                   | 0.03                 | 450             | 8/6/2009                   |
| Philip G. and Lorraine M. Gabri      | 8574                   | 0.11                 | 1650            | 8/6/2009                   |
| Michael Jackson                      | 8502                   | 0.20                 | 3000            | 9/4/2009                   |
| Marilyn Y. Doner                     | 8073                   | 0.55                 | 1400            | 9/29/2009                  |
| Willis Ludwig and Betty Ludwig       | 8553                   | 0.21                 | 3150            | 9/29/2009                  |
| William H. Flynn and Barry M. Flynn  | 8557                   | 0.19                 | 2850            | 9/29/2009                  |
| William H. Flynn and Barry M. Flynn  | 8564                   | 0.1                  | 1500            | 9/29/2009                  |
| Nancy P. Hubert                      | 8452                   | 0.20                 | 3000            | 10/9/2009                  |
| Ricky G. Hitsman                     | 8524                   | 0.16                 | 2400            | 10/9/2009                  |
| Robert J. and Catherine T. Leboeuf   | 8469                   | 0.14                 | 2100            | 10/9/2009                  |
| Robert O. McNeil                     | 8094                   | 2.50                 | 4000            | 10/9/2009                  |
| Robert O. McNeil                     | 8095                   | 0.56                 | 1700            | 10/9/2009                  |

The following chart sets forth conveyances made since the implementation of this program.

| Current Owners name                            | NYPA Surplus Parcel No | Surplus Parcel Acres | Appraisal Value | Deed Filed in County Clerk |
|--|------------------------|----------------------|-----------------|----------------------------|
| Scott Love and Jacqueline Cole                 | 8075                   | 0.59                 | \$1,500.00      | 7/14/2006                  |
| Travis J. Collins                              | 8698                   | 0.41                 | \$1,000.00      | 8/1/2006                   |
| John F. and Tamara M. McGrath                  | 8069                   | 0.74                 | \$1,850.00      | 8/11/2006                  |
| Richard J. St. Germain and Lisa M. St. Germain | 8074                   | 0.58                 | \$1,450.00      | 8/23/2006                  |
| Robert J. Jordan and Shannon K. Jordan         | 8654                   | 0.32                 | \$800.00        | 8/30/2006                  |

|  |      |        |             |            |
|--|------|--------|-------------|------------|
| Martin J. Ryan   | 8006 | 0.19   | \$600.00    | 9/13/2006  |
| Martin J. Ryan   | 8007 | 0.28   | \$850.00    | 9/13/2006  |
| Kathleen A. Madlin   | 8010 | 0.27   | \$800.00    | 9/13/2006  |
| Town of Massena  | 8615 | 16.908 |             | 9/14/2006  |
| Thomas A. Smith and Linda M. Mcquinn   | 8055 | 0.67   | \$1,500.00  | 9/15/2006  |
| Town of Massena  | 8661 | 22.741 |             | 9/15/2006  |
| Town of Massena  | 8616 | 6.029  |             | 9/15/2006  |
| Town Of Massena  | 8603 | 4.231  |             | 9/15/2006  |
| Jeffrey H. Houmiel and Suzanne M. Houmiel  | 8013 | 0.2    | \$600.00    | 9/21/2006  |
| Charles W. Elliott, Jr. and Debra A. Elliott and Corey W. Elliott  | 8056 | 0.71   | \$1,600.00  | 9/21/2006  |
| Ginette Bourque  | 8086 | 0.7    | \$1,800.00  | 9/21/2006  |
| David R. Fuller and Melissa Fuller   | 8008 | 0.34   | \$1,000.00  | 9/27/2006  |
| Robert F. Rapin and Elinore L. Rapin   | 8009 | 0.22   | \$650.00    | 9/27/2006  |
| Malcolm J. Casselman   | 8026 | 0.22   | \$450.00    | 9/27/2006  |
| Elizabeth J. Bennett   | 8038 | 0.25   | \$600.00    | 10/12/2006 |
| Clarence Joseph Collins and Diane Marie Collins  | 8655 | 0.82   | \$2,100.00  | 10/12/2006 |
| Robert E. Cruikshank and Melanie E. Cruikshank as Trustees of the Melanie E. Cruikshank Ten (10) Year Qualified Personal Residence Trust dated April 5, 2002 | 8012 | 0.22   | \$650.00    | 10/16/2006 |
| G. Carl Alverson and Helen L. Alverson   | 8096 | 0.51   | \$1,500.00  | 10/16/2006 |
| Allan C. Sherman and Heidi L. Sherman  | 8646 | 0.43   | \$1,000.00  | 10/16/2006 |
| Eben W. Graveline and Jane E. Graveline  | 8015 | 0.08   | \$200.00    | 10/20/2006 |
| Camp Laurent Inc.  | 8042 | 0.79   | \$2,400.00  | 10/20/2006 |
| Scott M. Akins And Susan H Akins   | 8642 | 0.74   | \$1,700.00  | 10/20/2006 |
| Town of Lisbon   | 8629 | 4.61   |             | 10/23/2006 |
| Town of Lisbon   | 8097 | 1.37   |             | 10/23/2006 |
| Dorothy Thompson   | 8037 | 0.75   | \$2,300.00  | 11/1/2006  |
| Ronald C. Kurz and Sara Kurz   | 8019 | 0.28   | \$850.00    | 11/9/2006  |
| Jayakumar Pagadala   | 8049 | 0.21   | \$300.00    | 11/9/2006  |
| Guy Mills and Christine Ann Mills  | 8050 | 0.89   | \$2,400.00  | 11/9/2006  |
| Linda S. Sherman   | 8647 | 0.38   | \$900.00    | 11/9/2006  |
| Lalone's Point, Llc  | 8025 | 6.91   | \$20,700.00 | 11/17/2006 |
| William A. Antoine And Kathryn F. Antoine  | 8079 | 2.22   | \$5,100.00  | 11/17/2006 |
| Aron Eisenkeit   | 8099 | 1.87   | \$4,300.00  | 11/17/2006 |
| Lawrence D. Langley and Susan L. Langley   | 8016 | 0.28   | \$850.00    | 11/22/2006 |
| Robert Navan and Joy Navan   | 8020 | 0.2    | \$600.00    | 12/4/2006  |
| Stanley E. Farnsworth and Virginia M. Farnsworth   | 8046 | 0.76   | \$2,100.00  | 12/4/2006  |
| Roger D. Warren and Cheryl A. Warren   | 8048 | 1.17   | \$2,900.00  | 12/4/2006  |
| C. Joseph Collins  | 8076 | 1.57   | \$3,600.00  | 12/4/2006  |
| Edward J. Dillingham   | 8002 | 0.21   | \$500.00    | 12/13/2006 |
| Harold W. Fischbeck and Donna D. Fischbeck   | 8023 | 0.2    | \$500.00    | 12/13/2006 |

|   |      |       |            |            |
|---|------|-------|------------|------------|
| Scheil Wood, Gerald J. McDonald, Wade C. Wood, and Gregory A. Wood  | 8039 | 0.3   | \$750.00   | 12/13/2006 |
| Walter B Hovendon and Nancy C. Hovendon   | 8651 | 0.43  | \$1,000.00 | 12/13/2006 |
| Aloysius J. Schatz and Carmen B. Feliciano-Schatz   | 8047 | 1.15  | \$2,900.00 | 12/21/2006 |
| Guy F. Mills and Christine A. Mills and William F. Richards   | 8051 | 0.95  | \$2,400.00 | 12/21/2006 |
| Barbara G. Blair Mcbath   | 8054 | 1.31  | \$3,300.00 | 12/21/2006 |
| Gary R. Reif and Judith M. Reif   | 8648 | 0.93  | \$2,100.00 | 12/21/2006 |
| Village of Waddington   | 8192 | 0.932 |            | 1/5/2007   |
| Village of Waddington   | 8219 | 0.578 |            | 1/5/2007   |
| Village of Waddington   | 8223 | 0.066 |            | 1/5/2007   |
| Village of Waddington   | 8224 | 0.727 |            | 1/5/2007   |
| Village of Waddington   | 8402 | 1.187 |            | 1/5/2007   |
| Village of Waddington   | 8630 | 0.241 |            | 1/5/2007   |
| Jerry D. Hobbs and Carolyn E. Hobbs   | 8653 | 0.15  | \$350.00   | 1/5/2007   |
| Village of Waddington   | 8674 | 1.259 |            | 1/5/2007   |
| Dennis R. Perkins and Jane Perkins  | 8652 | 0.23  | \$550.00   | 1/17/2007  |
| William M. Sherman and Linda S. Sherman   | 8645 | 0.45  | \$1,000.00 | 1/24/2007  |
| Rhonda L. Roethel   | 8005 | 0.11  | \$350.00   | 2/7/2007   |
| Dr. Lawrence S. Mintzer   | 8022 | 0.23  | \$700.00   | 2/7/2007   |
| Dr. William M. Sherman and Linda S. Sherman, his wife and Allan C. Sherman and Heidi L. Sherman, his wife | 8644 | 0.59  | \$1,350.00 | 3/1/2007   |
| Town of Waddington  | 8133 | 11.61 |            | 3/8/2007   |
| Town of Waddington  | 8135 | 9.376 |            | 3/8/2007   |
| Town of Waddington  | 8136 | 5.135 |            | 3/8/2007   |
| Town of Waddington  | 8137 | 1.929 |            | 3/8/2007   |
| Town of Waddington  | 8138 | 0.53  |            | 3/8/2007   |
| Town of Waddington  | 8139 | 0.386 |            | 3/8/2007   |
| Town of Waddington  | 8140 | 0.623 |            | 3/8/2007   |
| Town of Waddington  | 8176 | 0.749 |            | 3/8/2007   |
| Town of Waddington  | 8406 | 0.669 |            | 3/8/2007   |
| Town of Waddington  | 8697 | 1.67  |            | 3/8/2007   |
| Town of Waddington  | 8134 | 6.914 |            | 3/8/2007   |
| George E. Dillingham  | 8001 | 0.09  | \$200.00   | 3/20/2007  |
| Gary H. Madlin and Cheryl D. Madlin   | 8003 | 0.49  | \$1,500.00 | 3/20/2007  |
| Gary H. Madlin and Cheryl D. Madlin   | 8004 | 0.3   | \$900.00   | 3/20/2007  |
| Salvatore M. Puleo and Christine M. Puleo   | 8089 | 0.92  | \$1,700.00 | 3/30/2007  |
| Christine M. Puleo  | 8091 | 0.63  | \$1,100.00 | 3/30/2007  |
| Mark P. Tyo   | 8690 | 0.01  | \$30.00    | 4/18/2007  |
| Mark P. Tyo   | 8611 | 0.09  | \$300.00   | 4/20/2007  |
| Renee Y. Backus and Daniel J. Bruyere   | 8018 | 0.24  | \$700.00   | 4/23/2007  |
| William D. Lohmann  | 8641 | 0.41  | \$950.00   | 4/23/2007  |
| Town of Waddington  | 8170 | 6.699 |            | 5/3/2007   |

|  |      |        |            |            |
|--|------|--------|------------|------------|
| Town of Waddington   | 8420 | 13.66  |            | 5/3/2007   |
| Town of Waddington   | 8658 | 6.455  |            | 5/3/2007   |
| Town of Waddington   | 8659 | 33.09  |            | 5/3/2007   |
| Town of Waddington   | 8660 | 34.762 |            | 5/3/2007   |
| Bruce G. Cook and Sharon B. Cook   | 8106 | 2.13   | \$5,300.00 | 5/22/2007  |
| Town of Louisville   | 8579 | 5.65   |            | 5/22/2007  |
| Town of Louisville   | 8584 | 2.835  |            | 5/22/2007  |
| Town of Louisville   | 8585 | 0.455  |            | 5/22/2007  |
| Town of Louisville   | 8586 | 0.063  |            | 5/22/2007  |
| Town of Louisville   | 8667 | 4.788  |            | 5/22/2007  |
| Town of Louisville   | 8668 | 25.65  |            | 5/22/2007  |
| Lee H. Harper and Laurie J. Harper   | 8609 | 0.63   | \$3,150.00 | 6/7/2007   |
| Scott M. Walker and Jennifer L. Walker   | 8689 | 0.34   | \$800.00   | 6/7/2007   |
| Lois Dann  | 8061 | 0.25   | \$600.00   | 7/10/2007  |
| Beverly H. Dean-Barney   | 8080 | 3.01   | \$6,000.00 | 7/10/2007  |
| Beverly H. Dean-Barney   | 8693 | 4.23   | \$8,500.00 | 7/10/2007  |
| Chicopee Bay Campgrounds, Llc  | 8027 | 1.57   | \$4,700.00 | 8/6/2007   |
| Timothy and Kim Richards   | 8030 | 0.38   | \$950.00   | 8/6/2007   |
| Timothy A. and Kim M. Richards   | 8031 | 0.52   | \$1,300.00 | 8/6/2007   |
| Cody Richardson and Margaret Richardson  | 8063 | 0.12   | \$250.00   | 8/6/2007   |
| John R. McMahon and Lynda J. McMahon   | 8040 | 1.03   | \$3,100.00 | 8/30/2007  |
| John P. Sherman and Nancy L. Sherman   | 8072 | 0.75   | \$1,900.00 | 8/30/2007  |
| Town of Lisbon   | 8093 | 23.12  |            | 8/30/2007  |
| William Brown And Janet E. Brown   | 8612 | 0.01   | \$30.00    | 10/11/2007 |
| William P. Tiernan and Marcia W. Tiernan   | 8244 | 0.14   | \$100.00   | 10/22/2007 |
| Dewey C. Whitton and Sylvia D. Whitton   | 8315 | 0.01   | \$25.00    | 11/2/2007  |
| Dewey C. Whitton and Sylvia D. Whitton   | 8316 | 0.13   | \$200.00   | 11/2/2007  |
| Joseph Moore and Joan Moore  | 8329 | 0.07   | \$50.00    | 11/2/2007  |
| Joseph Moore and Joan Moore  | 8330 | 0.03   | \$20.00    | 11/2/2007  |
| Bernard Wiehl and Andrea Allen Wiehl   | 8326 | 0.03   | \$10.00    | 11/9/2007  |
| Marshall Tiernan   | 8245 | 0.06   | \$50.00    | 11/21/2007 |
| Marshall Tiernan   | 8246 | 0.86   | \$250.00   | 11/21/2007 |
| Marshall R. Tiernan  | 8295 | 0.02   | \$25.00    | 11/21/2007 |
| B. Carol Laplante and Nancy J. Thompson  | 8120 | 0.52   | \$1,300.00 | 12/10/2007 |
| William Tiernan and Marcia Tiernan   | 8312 | 0.29   | \$450.00   | 12/13/2007 |
| Stephen C. LaRose, Scot A. LaRose, Wendie L. LaRose, Cory P. LaRose, and Julie M. LaRose | 8011 | 0.14   | \$400.00   | 1/4/2008   |
| Paul N. Mcgrath and Yvonne F. Mcgrath  | 8109 | 0.29   | \$700.00   | 1/18/2008  |
| William P. Tiernan and Marcia W. Tiernan   | 8242 | 0.12   | \$50.00    | 1/18/2008  |
| Marshall R. Tiernan  | 8297 | 0.2    | \$150.00   | 1/18/2008  |
| Marshall R. Tiernan  | 8298 | 0.16   | \$125.00   | 1/18/2008  |
| Marshall R. Tiernan  | 8300 | 0.37   | \$300.00   | 1/18/2008  |
| Robert G. Tripp and Phyllis J. Tripp   | 8311 | 0.05   | \$100.00   | 1/18/2008  |

|   |      |      |             |           |
|---|------|------|-------------|-----------|
| Dorothy Thompson                                      | 8703 | 0.12 | \$1,200.00  | 1/18/2008 |
| James Tiernan   | 8231 | 0.12 | \$30.00     | 1/28/2008 |
| James Tiernan   | 8232 | 0.04 | \$10.00     | 1/28/2008 |
| James Tiernan   | 8233 | 0.09 | \$25.00     | 1/28/2008 |
| James Tiernan   | 8241 | 0.06 | \$25.00     | 1/28/2008 |
| Milford M. Curtis and Jean C. Curtis                  | 8304 | 0.22 | \$200.00    | 1/28/2008 |
| Milford M. Curtis and Jean C. Curtis                  | 8305 | 0.44 | \$350.00    | 1/28/2008 |
| James Tiernan   | 8675 | 0.33 | \$120.00    | 1/28/2008 |
| James Tiernan   | 8701 | 0.04 | \$10.00     | 1/28/2008 |
| Kerry L. Mitras                                       | 8260 | 0.06 | \$100.00    | 2/6/2008  |
| Dirk A. Galbraith and Patricia Carnal Galbraith       | 8116 | 0.39 | \$1,000.00  | 2/19/2008 |
| Gordon R. Daley and Mary B. Daley                     | 8147 | 0.06 | \$600.00    | 2/19/2008 |
| William Tiernan and Marcia Tiernan                    | 8217 | 0.1  | \$1,800.00  | 2/19/2008 |
| Randy E. Rockhill                                     | 8285 | 0.04 | \$50.00     | 2/19/2008 |
| Marshall R. Tiernan                                   | 8291 | 0.35 | \$300.00    | 2/19/2008 |
| Marshall R. Tiernan                                   | 8292 | 0.63 | \$500.00    | 2/19/2008 |
| All States Asphalt, Inc. C/O Alan Hankowski           | 8372 | 0.24 | \$4,300.00  | 2/19/2008 |
| Shaun L. Prentice                                     | 8410 | 0.25 | \$500.00    | 2/19/2008 |
| Michael Mayette and Cynthia Mayette                   | 8417 | 0.36 | \$400.00    | 2/19/2008 |
| Great Laker Development, LLC                          | 8614 | 0.98 | \$2,950.00  | 2/19/2008 |
| Robert F. Rapin                                       | 8628 | 0.24 | \$2,400.00  | 2/19/2008 |
| Mark Klosowski  | 8110 | 0.38 | \$950.00    | 2/20/2008 |
| Dale A. Harper  | 8229 | 0.15 | \$100.00    | 2/20/2008 |
| John C. Molnar and Gerald C. Molnar and Melody Molnar | 8336 | 0.05 | \$600.00    | 2/20/2008 |
| John C. Molnar and Gerald C. Molnar and Melody Molnar | 8337 | 0.09 | \$1,100.00  | 2/20/2008 |
| Helen E. Phillips                                     | 8340 | 0.01 | \$5.00      | 2/20/2008 |
| Lawrence E. Jones and Judith T. Jones                 | 8349 | 0.5  | \$2,500.00  | 2/20/2008 |
| Richard L. McAllister                                 | 8636 | 0.61 | \$11,000.00 | 2/20/2008 |
| Wayne D. and Janet R. Moore                           | 8029 | 0.7  | \$2,100.00  | 2/29/2008 |
| Dane A. Brenno  | 8071 | 0.57 | \$1,300.00  | 2/29/2008 |
| Lawrence P. Lamere                                    | 8235 | 0.38 | \$200.00    | 2/29/2008 |
| Kenneth F. Graves                                     | 8236 | 0.09 | \$50.00     | 2/29/2008 |
| Douglas Mayette and Beverly Mayette                   | 8239 | 0.54 | \$250.00    | 2/29/2008 |
| Lori A. Blaha and Ana R. Martinez                     | 8265 | 0.23 | \$350.00    | 2/29/2008 |
| Edward Haig Bajakian                                  | 8237 | 0.28 | \$150.00    | 3/4/2008  |
| Edward Bajakian                                       | 8238 | 0.09 | \$50.00     | 3/4/2008  |
| James B. and Judith M. Johnston                       | 8276 | 0.24 | \$400.00    | 3/4/2008  |
| Jeffrey D. Sovie                                      | 8283 | 0.18 | \$300.00    | 3/4/2008  |
| Clinton W. Green                                      | 8058 | 1.94 | \$4,900.00  | 3/14/2008 |
| Melissa J. Sweet                                      | 8230 | 0.04 | \$25.00     | 3/14/2008 |
| Sharon L. O'Neil                                      | 8383 | 0.14 | \$100.00    | 3/14/2008 |
| Gary W. Wahl and Lynne G. Wahl                        | 8411 | 0.15 | \$300.00    | 3/14/2008 |

|  |      |       |             |           |
|--|------|-------|-------------|-----------|
| Gary W. Wahl and Lynne G. Wahl                     | 8412 | 0.59  | \$1,200.00  | 3/14/2008 |
| Robert Cruikshank and Melanie Cruikshank           | 8704 | 0.35  | \$4,200.00  | 3/14/2008 |
| M. Schamroth & Sons                                | 8034 | 0.46  | \$1,200.00  | 3/28/2008 |
| Michael J. Stoner and Julie L. Stoner              | 8114 | 0.25  | \$600.00    | 3/28/2008 |
| Mary Jo Fairbanks                                  | 8575 | 0.19  | \$2,300.00  | 3/28/2008 |
| Clinton Willard Green                              | 8052 | 2.13  | \$6,400.00  | 4/4/2008  |
| Clinton Willard Green, Jr.                         | 8057 | 0.86  | \$2,000.00  | 4/4/2008  |
| Clinton Willard Green, Jr.                         | 8060 | 0.05  | \$100.00    | 4/4/2008  |
| Thomas F. Coakley and Nellie E. Coakley            | 8115 | 0.38  | \$950.00    | 4/11/2008 |
| Robert M. and Kathryn A.H. Perry                   | 8490 | 0.12  | \$1,800.00  | 4/11/2008 |
| David Nadeau, Steven Nadeau and Mary K. Halstead   | 8256 | 0.42  | \$850.00    | 4/21/2008 |
| Joseph Y. Garcia                                   | 8257 | 0.18  | \$300.00    | 4/21/2008 |
| Joseph Y. Garcia                                   | 8258 | 0.11  | \$200.00    | 4/21/2008 |
| Richard Garcia and Linda Garcia                    | 8263 | 0.2   | \$300.00    | 4/21/2008 |
| Terry R. Caswell and Sue E. Caswell                | 8367 | 0.01  | \$50.00     | 4/21/2008 |
| Terry R. Caswell and Sue E. Caswell                | 8368 | 0.02  | \$100.00    | 4/21/2008 |
| Brian W. Bailey and Sharon Lee Bailey              | 8466 | 0.22  | \$3,300.00  | 4/21/2008 |
| Dawn P. Lavigne                                    | 8497 | 0.17  | \$2,550.00  | 4/21/2008 |
| Anne Huttel, John M. Barstow, and Peter C. Barstow | 8562 | 0.19  | \$2,850.00  | 4/21/2008 |
| Robert Navan and Joy Navan                         | 8705 | 0.33  | \$4,000.00  | 4/21/2008 |
| Edgar G. Graves                                    | 8234 | 0.14  | \$50.00     | 4/25/2008 |
| Ronald W. Bogart and Jane R. Bogart                | 8371 | 0.07  | \$700.00    | 4/25/2008 |
| David J. Strader                                   | 8028 | 0.35  | \$900.00    | 5/9/2008  |
| Gennaro Conte and Diane Conte                      | 8479 | 0.13  | \$1,950.00  | 5/9/2008  |
| Frieda Schmenkel                                   | 8481 | 0.12  | \$1,800.00  | 5/16/2008 |
| Jacqueline M. Lipsky and Matthew J. Russell        | 8017 | 0.29  | \$850.00    | 5/30/2008 |
| John Bartlett and Linda Bartlett                   | 8092 | 10.89 | \$27,200.00 | 5/30/2008 |
| Ervin J. Kennedy and Sandra E. Kennedy             | 8278 | 0.13  | \$200.00    | 5/30/2008 |
| Acres Intervivos Trusts                            | 8182 | 0.12  | \$1,800.00  | 6/13/2008 |
| Acres Intervivos Trusts                            | 8183 | 0.16  | \$2,700.00  | 6/13/2008 |
| Allen J. Benn, Jr. and Karen M. Benn               | 8262 | 0.12  | \$200.00    | 6/13/2008 |
| Elizabeth J. Bennett                               | 8670 | 0.13  | \$1,300.00  | 7/8/2008  |
| Corbin Rockhill and Diane Rockhill                 | 8275 | 0.31  | \$500.00    | 7/14/2008 |
| Alwel Realty Corp.                                 | 8414 | 0.2   | \$400.00    | 7/14/2008 |
| Bethel R. Cardinal                                 | 8473 | 0.16  | \$2,400.00  | 7/23/2008 |
| Janet C. Moniere                                   | 8482 | 0.44  | \$8,800.00  | 7/23/2008 |
| Christopher J. Todd and Kurt B. Hayes              | 8488 | 0.12  | \$1,800.00  | 7/23/2008 |
| James M. Garcia and Vicki J. Garcia                | 8515 | 0.14  | \$2,100.00  | 7/23/2008 |
| Clarence J. Collins                                | 8706 | 0.22  | \$2,200.00  | 7/23/2008 |
| Virginia Lee Wescott                               | 8065 | 1.19  | \$3,000.00  | 8/15/2008 |
| Henry J. Hack and Sharon L. Hack                   | 8273 | 0.37  | \$600.00    | 8/15/2008 |
| Mary O'horo Loomis and Scott R. Loomis             | 8309 | 0.04  | \$25.00     | 8/15/2008 |

|   |      |      |             |            |
|---|------|------|-------------|------------|
| Suhail S. Daye and Crystal Daye   | 8476 | 0.32 | \$4,800.00  | 8/15/2008  |
| Ann P. Daye   | 8478 | 0.17 | \$2,550.00  | 8/15/2008  |
| Stephen R. Matzan and Shirley A. Matzan                                   | 8083 | 2.67 | \$5,300.00  | 9/12/2008  |
| Thomas W. Howe, Leon W. Howe, III, Nancy J. Kreutzer, and Dorothy E. Suri | 8643 | 0.22 | \$500.00    | 9/12/2008  |
| Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner               | 8032 | 0.23 | \$600.00    | 9/19/2008  |
| Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner               | 8033 | 0.46 | \$1,200.00  | 9/19/2008  |
| Thomas A. Sharpe and Barbara J. Sharpe                                    | 8472 | 0.15 | \$2,100.00  | 9/19/2008  |
| Oakley R. Holland and Irene Holland                                       | 8271 | 0.07 | \$100.00    | 9/26/2008  |
| Tomado, Inc   | 8067 | 0.99 | \$2,500.00  | 10/3/2008  |
| Ann C. Daniels  | 8118 | 1.89 | \$4,200.00  | 10/3/2008  |
| Gerald McDonald   | 8359 | 0.41 | \$4,100.00  | 10/3/2008  |
| Schiel S. Wood and Jodi Falardeau   | 8035 | 0.35 | \$900.00    | 10/10/2008 |
| David J. Valois   | 8043 | 2.38 | \$6,000.00  | 10/10/2008 |
| Carl W. Burnham and Monique M. Burnham                                    | 8280 | 0.24 | \$400.00    | 10/10/2008 |
| Richard Guimond and Catherine Guimond                                     | 8491 | 0.13 | \$1,950.00  | 10/10/2008 |
| Dale R. Wells and Gizelle L. Wells  | 8036 | 0.29 | \$700.00    | 10/24/2008 |
| Robert R. Dixon   | 8088 | 0.3  | \$750.00    | 10/24/2008 |
| Robert O. McNeil  | 8098 | 2.37 | \$5,900.00  | 10/24/2008 |
| Richard C. Evans and Mary Evans   | 8492 | 0.13 | \$1,950.00  | 10/24/2008 |
| David Gravlin and Emily Gravlin   | 8692 | 1.68 | \$3,900.00  | 11/14/2008 |
| Michael J Legacy  | 8053 | 1.29 | \$3,200.00  | 12/1/2008  |
| Diane L. Dixon  | 8087 | 0.28 | \$700.00    | 12/1/2008  |
| Jeffrey J. Seguin   | 8064 | 0.43 | \$1,000.00  | 2/11/2009  |
| Jeffrey J. Seguin   | 8066 | 0.76 | \$1,900.00  | 2/11/2009  |
| Rebecca L. Green  | 8108 | 0.26 | \$650.00    | 2/26/2009  |
| Marshall R. Tiernan   | 8299 | 1    | \$2,000.00  | 2/26/2009  |
| Cleda Bajakian  | 8123 | 1.42 | \$3,600.00  | 3/6/2009   |
| Patrick J. Peets  | 8463 | 0.24 | \$3,600.00  | 3/6/2009   |
| Gordon Bennett and Helen Bennett  | 8498 | 0.2  | \$3,150.00  | 3/6/2009   |
| Thomas R. Adams and Vanessa M. Adams                                      | 8504 | 0.17 | \$2,550.00  | 3/6/2009   |
| Charles D. Cameron and Karen L. Cameron                                   | 8526 | 0.21 | \$3,150.00  | 3/6/2009   |
| Dalton P. Foster and Nancy W. Foster                                      | 8565 | 0.73 | \$14,600.00 | 3/13/2009  |
| John P. Zeh and Carol J. Zeh  | 8024 | 0.17 | \$400.00    | 4/2/2009   |
| Francis A. Derouchie, Jr.   | 8314 | 0.26 | \$400.00    | 4/2/2009   |
| Wayne K. Tyo and Patricia P. Tyo  | 8437 | 0.22 | \$3,300.00  | 4/2/2009   |
| William J. Lenney and Elizabeth L. Lenney                                 | 8509 | 0.2  | \$3,000.00  | 4/2/2009   |
| Theodore Allan Binion and Linda Jane Bennett Binion                       | 8090 | 1.56 | \$3,600.00  | 4/14/2009  |
| James A. Tiernan  | 8290 | 1.14 | \$1,150.00  | 4/14/2009  |
| Michael Tiernan   | 8317 | 0.01 | \$25.00     | 4/14/2009  |
| John Agati  | 8448 | 0.21 | \$3,150.00  | 4/14/2009  |
| Harold A. Mcallister  | 8327 | 1.59 | \$700.00    | 4/24/2009  |

|   |              |              |                        |                      |
|---|--------------|--------------|------------------------|----------------------|
| Jeffrey D. Whitton and Mary Lisa Whitton  | 8422         | 0.32         | \$4,800.00             | 4/24/2009            |
| Kathy A. Ayotte   | 8495         | 0.14         | \$2,100.00             | 4/24/2009            |
| Jonathan O. Dean  | 8081         | 6.92         | \$13,800.00            | 5/8/2009             |
| Robinson F. Dean  | 8084         | 7.59         | \$15,200.00            | 5/8/2009             |
| Michael J. Whalen and Candace L. Riggs<br>The John B. Wing Revocable Trust, by John<br>B. Wing, Trustee | 8282<br>8426 | 0.28<br>0.13 | \$400.00<br>\$1,950.00 | 5/8/2009<br>5/8/2009 |
| Robert J. Silmsner  | 8460         | 0.14         | \$2,100.00             | 5/8/2009             |
| Faye C. Lawrence  | 8210         | 0.08         | \$1,400.00             | 6/5/2009             |
| ARTHUR HICKS and LORRAINE HICKS   | 8226         | 0.38         | \$4,600.00             | 6/5/2009             |
| Richard A. Denison and Jean M. Denison  | 8328         | 0.14         | \$100.00               | 6/5/2009             |
| Peter and Eldonna Wing  | 8430         | 0.15         | \$2,250.00             | 6/5/2009             |
| Thomas F. Geagan and Sandra M. Geagan   | 8547         | 0.22         | \$3,300.00             | 6/5/2009             |
| Michael R. Hurlbut and Julie A Hurlbut  | 8665         | 0.21         | \$4,200.00             | 6/5/2009             |
| Michael R. Hurlbut and Julie A. Hurlbut   | 8666         | 0.04         | \$800.00               | 6/5/2009             |
| Lester R. Martin and Donna Jean Martin  | 8101         | 2.07         | \$5,200.00             | 6/16/2009            |
| Edward R. Stasko and Elaine M. Stasko   | 8334         | 0.09         | \$1,100.00             | 6/16/2009            |
| Edward R. Stasko and Elaine Stasko  | 8335         | 0.1          | \$1,200.00             | 6/16/2009            |
| Theodore L. Bernard and Angelia Bernard   | 8354         | 0.99         | \$5,000.00             | 6/16/2009            |
| Gregory Mintz   | 8416         | 0.41         | \$800.00               | 6/16/2009            |
| Eric A, Anderson, Douglas L Anderson, and<br>Bradley S. Anderson  | 8445         | 0.29         | \$4,350.00             | 6/16/2009            |
| Joseph A. Berner and Karen A. Berner  | 8431         | 0.17         | \$2,550.00             | 6/30/2009            |
| Nancy Matthias and Richard Matthias   | 8443         | 0.25         | \$3,450.00             | 6/30/2009            |
| Nancy R. Hazel and Scott J. Hazel   | 8508         | 0.21         | \$3,150.00             | 6/30/2009            |
| John Richard Boyce  | 8521         | 0.22         | \$3,300.00             | 6/30/2009            |
| Margery G. Schneider  | 8522         | 0.21         | \$3,150.00             | 6/30/2009            |
| George P. Dodge and Kathleen C Dodge  | 8112         | 0.23         | \$600.00               | 7/7/2009             |
| William Tiernan and Marcia Tiernan  | 8323         | 0.08         | \$25.00                | 7/7/2009             |
| Susan M. Mereau   | 8523         | 0.14         | \$2,100.00             | 7/7/2009             |
| Connie L. Reitz   | 8517         | 0.16         | 2400                   | 7/21/2009            |
| Edward R. and Leona J. Graves   | 8386         | 0.05         | 10                     | 7/21/2009            |
| Terry R. and Sue Caswell  | 8369         | 0.02         | 100                    | 7/21/2009            |
| Arlene Martin   | 8250         | 0.22         | 100                    | 7/21/2009            |
| Arlene Martin   | 8251         | 0.07         | 25                     | 7/21/2009            |
| Timothy Brady   | 8723         | 0.03         | 15                     | 7/21/2009            |
| Richard C. and Sally M. Wood  | 8068         | 1.10         | 2800                   | 8/6/2009             |
| Richard C. and Sally M. Wood  | 8070         | 0.12         | 250                    | 8/6/2009             |
| Patricia Ball   | 8113         | 0.43         | 1100                   | 8/6/2009             |
| Daniel Dineen   | 8252         | 0.12         | 40                     | 8/6/2009             |
| Winifred Bartlett Veitch  | 8177         | 0.23         | 2800                   | 8/6/2009             |
| Thomas Roidl  | 8145         | 0.17         | 2000                   | 8/6/2009             |
| Donald R. and Cheryl Brining  | 8195         | 0.03         | 450                    | 8/6/2009             |
| Philip G. and Lorraine M. Gabri   | 8574         | 0.11         | 1650                   | 8/6/2009             |

|                                      |      |      |            |           |
|--------------------------------------|------|------|------------|-----------|
| Michael Jackson                      | 8502 | 0.20 | 3000       | 9/4/2009  |
| Marilyn Y. Doner                     | 8073 | 0.55 | \$1,400.00 | 9/29/2009 |
| Willis D. Ludwig and Betty L. Ludwig | 8553 | 0.21 | \$3,150.00 | 9/29/2009 |
| William H. Flynn and Barry M. Flynn  | 8557 | 0.19 | \$2,850.00 | 9/29/2009 |
| William H Flynn and Barry M. Flynn   | 8564 | 0.1  | \$1,500.00 | 9/29/2009 |
| Nancy P. Hubert                      | 8452 | 0.20 | 3000       | 10/9/2009 |
| Ricky G. Hitsman                     | 8524 | 0.16 | 2400       | 10/9/2009 |
| Robert J. and Catherine T. Leboeuf   | 8469 | 0.14 | 2100       | 10/9/2009 |
| Robert O. McNeil                     | 8094 | 2.50 | 4000       | 10/9/2009 |
| Robert O. McNeil                     | 8095 | 0.56 | 1700       | 10/9/2009 |

To date, the Authority has taken nearly \$542,188 from the sales of these properties. The monies taken in by the Authority for the private land conveyances will be returned to the affected local municipalities to fund local public projects. In fact, the Authority has paid out to the Town of Lisbon \$162,610 and \$6,460 to the Town of Massena.

The Authority sent out approximately 96 letters to the owners in the Towns of Waddington and Louisville whose two year opportunity to purchase had expired since their original letters to purchase the property. The Regional Administrator in St. Lawrence has received numerous responses from these letters; some of which the landowners have indicated that they are not interested in purchasing the parcel and others requesting contracts.

#### IV. NIAGARA RELICENSING

As part of the Niagara Relicensing Settlement Agreement, the Authority has been obligated to convey certain properties to various entities. Transactions moving towards completion includes a 53 acre parcel to be conveyed to the Tuscarora Nation, a 24 acre parcel to Niagara University, a 6.1 acre site to be conveyed by Niagara University to the Authority for a proposed warehouse and office space and a 1.1 acre parcel for the construction of a decorative wall proximate to the Authority's's substation.

**Inventory (Ms. Tursi)**

As of September 30, 2009, overall inventory levels at all of the Authority's operating facilities totaled approximately \$86.29 million, compared to a year-end total in 2008 of \$88.17 million (which included \$9 million in capital spare parts added into inventory at the 500 MW project). The current inventory level includes \$1.7 million for field poles issued to the Niagara Rotor Poles Replacement project in February.

A Request for Quotes for construction of the new Niagara Warehouse was issued on July 27<sup>th</sup> and proposals were received on October 6, 2009. The bids are currently being evaluated and staff's recommendation for the construction contract will be presented to the Trustees for approval at their December meeting.

### 3. Recent Developments and Status of Authority's Ethics Programs

Ms. Louise Nestler provided an overview of the Ethics Office's key initiatives, saying that the principal substantive issues arising under the Ethics Law and/or the Authority's Code of Conduct since the last report to the Governance Committee on July 27, 2009, included the following:

|                           |   |
|---------------------------|---|
| Allegations               | 2 |
| Appearance of impropriety | 4 |
| Company policy            | 2 |
| Conflicts of interest     | 2 |
| Gifts                     | 7 |
| Outside activities        | 2 |
| Outside employment        | 6 |
| Unwarranted privilege     | 1 |

She said that the number of cases handled through the third quarter of 2009 has exceeded the total caseload for 2008 and that it is projected that the number of ethics cases for 2009 will total more than 100, a 20% increase over last year.

One case involved an anonymous allegation that a salaried site employee was selling "pirated" movies to fellow employees during working hours. The Ethics Office consulted with the New York State Office of the Inspector General ("NYS OIG"), which recommended that the Authority investigate the allegation and report back to NYS OIG on the findings and any needed corrective actions taken. The allegations were substantiated after an investigation that included interviews with various Authority employees. Discipline was administered by site management.

In another case, an Energy Services and Technology employee involved with the formulation of Requests for Proposals and the selection of contractors inquired whether it would be a conflict of interest for him to hire past, present or future Authority contractors to install photovoltaic ("PV") panels at his home. The employee was only interested in pursuing the PV installation if he could apply for grants offered by the New York State Energy Research and Development Authority ("NYSERDA"). The Authority partners with NYSERDA on many energy projects, including those where work is performed by NYSERDA-approved contractors. The Ethics Office advised the employee that since there are a limited number of qualified contractors who receive NYSERDA incentives and the employee and his staff do not control who may bid on Authority Energy Services and Technology contracts, he should not be precluded from hiring a NYSERDA-qualified contractor. Any appearance of a conflict of interest or receipt of unwarranted privileges could be addressed with full disclosure and a reallocation of work responsibilities related to particular contractors.

A question also arose about the business need for employees to attend legislative receptions in Albany. The New York State Commission on Public Integrity is looking much more closely at these receptions in terms of their gift prohibitions and the Authority will also be looking at the business need for Authority employees to attend such receptions, since such attendance could present the appearance of impropriety and a conflict of interest.

Ms. Nestler said that training on the newly approved Authority Code of Conduct would be rolled out soon for all Authority employees and Trustees, with the goal of having all such training completed by the end of the year.

4. **Motion to Conduct an Executive Session**

*“Mr. Chairman, I move that the Governance Committee conduct an executive session pursuant to Section 105 of the Public Officers Law of the State of New York to discuss matters leading to the appointment, employment, promotion, discipline, suspension, dismissal or removal of a particular person or corporation.”* Upon motion made and seconded, an Executive Session was held.

5. **Motion to Resume Meeting in Open Session**

*“Mr. Chairman, I move to resume the meeting in Open Session.”* Upon motion made and seconded, the meeting resumed in Open Session.

**6. Amendments to Charter**

It was agreed that a revised version of the Governance Committee charter would be presented to the Trustees for their approval at the December meeting.

7. **Next Meeting**

The next regular meeting of the Governance Committee will be held on February 23, 2010 at a location to be determined.