

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

December 18, 2012

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Authority's offices at 123 Main Street, White Plains, New York at approximately 10:00 a.m.

The following Members of the Governance Committee were present:

Trustee Eugene L. Nicandri, Chairperson
Chairman John R. Koelmel
Trustee Terrance P. Flynn
Trustee Joanne M. Mahoney

Also in attendance were:

R. Wayne LeChase	Trustee
Gil Quiniones	President and Chief Executive Officer
Judith McCarthy	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Donald Russak	Chief Financial Officer
Joan Tursi	Senior Vice President – Corporate Support Services
Randy Crissman	Vice President – Technical Compliance
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Patricia Leto	Vice President Procurement
Brian McElroy	Treasurer
Karen Delince	Corporate Secretary
Dennis Eccleston	Chief Information Officer
Rod Mullin	Director – Fuel Planning and Operations
Debra White	Director – Supplier Diversity Program
Gary Schmid	Manager – Network Services
Louise Nestler	Assistant Ethics Officer
Lorna Johnson	Assistant Corporate Secretary
Sheila Baughman	Senior Secretary, Corporate Secretary's Office
Sheri L. Mahoney	Senior Vice President, Senior Programs Manager – First Niagara Financial Group

Chairman Eugene Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Eugene Nicandri welcomed committee members; Trustee LeChase and Authority senior staff to the meeting. He said the meeting has been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Chairman Nicandri said that, going forward, the ground rules by which the Committee will proceed has been changed. He said that at the suggestion of Authority Chairman Koelmel the Governance Committee has adopted the procedure used by the Board of Trustees, utilizing the Consent agenda for routine reports submitted regularly by staff; if a member has any questions on an item that is on the Consent agenda, a motion can be made to move it to the Discussion agenda.

By motion made and seconded the agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

On motion made and seconded, the Consent Agenda and reports provided to members of the Governance Committee was approved.

a. **Approval of the Minutes**

The Minutes of the Committee's Regular Meeting of July 31, 2012 were approved.

b. Procurement and Real Estate Reports and Revised Employee Policy for the Educational Assistance Program

Ms. Joan Tursi submitted the following report:

SUMMARY

“This memorandum is to advise the Governance Committee of certain 2012 YTD activities of the Corporate Support Services / Enterprise Shared Services (‘CSS/ESS’) Business Unit, including: procurement contract activity, disposal of personal property, acquisition and disposal of real property, Supplier Diversity Program activities and plant inventory statistics, as well as fossil fuels and corporate finance activities of the Energy Resource Management and Business Services Business Units, respectively. This memorandum also advises the Committee of proposed revisions to the Employee Policy relating to the Authority’s Educational Assistance Program.

BACKGROUND

“Pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President Procurement and the Director Real Estate are required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.

“The reported activities are governed by various State laws and regulations and are set forth in the attached Reports.

DISCUSSION

“As more fully described in the individual reports attached hereto as Exhibits 2b-1 – 2b-8, the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater awarded since January 1, 1990 that were active in 2012, as identified by the Authority’s SAP computer system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during the reporting period and summarized year-to-date. The Real Estate Report includes all transactions over \$15,000 for the acquisition or disposal of real property. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises (‘MWBES’) based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the same period last year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Operations and Treasury work groups, respectively.

“The Authority is committed to helping its salaried employees pursue professional growth and development and encourages the use of the Educational Assistance Program for courses leading to an undergraduate or graduate degree or a certificate program that is of mutual benefit to employees and the Authority. The proposed revisions to the Employee Policy (attached hereto as Exhibit 2b-8) governing this Program include, but are not limited to: mirroring the language in revised Performance Planning documents (2.1 and 8.4), adding a payback clause for employees that terminate employment (3.1) and placing limitations on the number of reimbursements employees can receive (6.1).”

c. Recent Developments and Status of NYPA's Ethics and Compliance Program

Mr. Joseph Gryzlo submitted the following report:

ETHICS and COMPLIANCE

SUMMARY

“The Office of Ethics and Compliance advises NYPA’s trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA’s employees and operations. It coordinates the investigation of allegations and concerns involving NYPA’s assets and employees. This report highlights significant developments in NYPA’s ethics and compliance program for the period July 31, 2012 to December 18, 2012.

BACKGROUND

“The principal substantive issues arising under the NYS ethics laws and NYPA’s Code of Conduct investigated or researched since the most recent Governance Committee report on July 31, 2012 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, endorsements, gifts inquiries, post-employment restrictions, securities’ ownership and unwarranted privileges.

“The Office of Ethics and Compliance provides annual training to all trustees, officers and employees to reaffirm NYPA’s commitment to prevailing ethics principles and raise awareness of the laws and regulations with which all NYS public employees are required to comply. Annual review of and certification to the NYPA Ethics Code of Conduct is implemented as an additional measure to reinforce acceptable business and professional conduct. The Office also coordinates required training for designated employees to comply with the Federal Energy Regulatory Commission’s Standards of Conduct relating to its transmission and energy marketing functions.

DISCUSSION

Ethics Caseload

“The Office of Ethics & Compliance provides guidance to current and former NYPA employees, as well as prospective employees. It interprets the ethics post-employment laws to assist former employees who are recruited by NYPA to return as temporary, part time employees. In one instance during this reporting period, a former employee who retired approximately five years ago was interested in returning on a part time basis as a temporary engineer. Since leaving NYPA, this engineer had provided services to another electric utility in New York and is currently working for an affiliated utility. NYPA is working with this electric company on a transmission issue. Prior to extending an offer to this former employee, NYPA management contacted the Office to review the potential hire. It was determined that the retiree could return to NYPA, however, he would be precluded from performing any work on projects involving the other utility for whom he is currently employed.

“In another instance of pro-active outreach, NYPA’s Human Resources department asked for an opinion related to prospective new hires who own their own businesses. The Office determined that each case must be reviewed on its own merits and recommended that conflicts of interest and other ethics principles be discussed with prospective hires that are known to have outside business interests prior to NYPA making an employment offer. If the employee chooses to continue in the outside business, NYPA’s offer letter includes specific conflicts of interest, confidentiality and other ethics awareness guidance that the employee must agree to follow prior to employment. In some instances, prospective employees must choose whether to continue their outside business or become a NYPA employee.

“A bargaining unit employee asked for guidance related to his ability to bid on a request for proposal (‘RFP’) offered by the NYS Office of Parks, Recreation and Historic Preservation (‘NYS OPRHP’) to operate a concession facility at an area park. This inquiry was unique because, while NYS OPRHP maintains and operates the park, the land where it is located is owned by NYPA. NYPA pays NYS OPRHP an annual fee to maintain several properties around the state. We reviewed the bid documents and consulted with the NYS OPRHP General Counsel’s Office to determine that there were no violations of the Public Officers Law, NYPA’s Code of Conduct or general procurement rules that would prevent the employee from bidding on public concession work. The RFP includes specific documents that the bidder must complete which will satisfy any necessary disclosures about the NYPA employee’s public employment and affiliation with entities involved in this initiative.

“The Office was asked to provide an opinion concerning the ethical considerations for NYPA employees who may be involved in working on the proposed Transco project. While the opinion outlined the parameters to be considered, it also included a recommendation that a formal opinion be requested of the NYS Joint Commission on Public Ethics (‘JCOPE’) to ensure that employees working on the project clearly understand all conflicts of interest and post-employment provisions which may apply to their work. Each scenario submitted to JCOPE is reviewed on its own merits and evaluated on a case-by-case basis.

Collaboration with the New York State Inspector General’s Office

“The Ethics and Compliance Office continues to collaborate with the NYS Inspector General’s Office on investigations of allegations and complaints involving NYPA employees and business partners. Issues of corruption, fraud, criminal activity, conflicts of interest or abuse by state officers and employees relating to their office or employment, or by anyone having business dealings with covered agencies, are included within the Inspector General Office’s jurisdiction. Details of pending cases will be provided during the Governance Committee Executive Session upon request.

TRAINING AND OUTREACH

“The NYS Inspector General Office’s Director of Training made four presentations to headquarters staff in May 2012. The purpose of these training sessions was to review the jurisdiction and role of the Inspector General and highlight employees’ legal responsibility to report wrongdoing, including, abuse, bribery, conflicts of interest, fraud, theft and governmental waste.

“In the intervening months since the Inspector General Office’s presentations in White Plains, NYPA’s General Counsel and Chief Ethics & Compliance Officer visited NYPA’s Blenheim-Gilboa Project, Clark Energy Center and Albany offices to deliver the message conveyed during the Inspector General’s training sessions. These live training sessions were provided to management employees at NYPA’s facilities and addressed two primary subjects: (1) the Inspector General’s jurisdiction and State employees’ legal responsibility to report wrongdoing and (2) NYPA’s ethics and compliance program with a focus on acceptable business conduct and procedures for engaging in approved outside employment. These presentations have resulted in several outside employment disclosures and inquiries concerning appropriate usage of NYPA vehicles and various other procedures.

“Additional presentations will be made to Niagara Project, St. Lawrence Project and Southeast NY facility management employees during the fourth quarter of 2012 and first quarter of 2013.

PROJECT SUNLIGHT

“Project Sunlight is a component of the Governor’s 2011 Public Integrity Reform Act. Effective January 1, 2013, it requires NYPA to record in a database maintained by the NYS Office of General Services all individuals, firms or other entities (excluding other State and local governmental agencies and elected officials) that appear before NYPA on their own behalf or in a representative capacity on behalf of a client or customer for certain purposes. The covered ‘appearances’ will be limited to live exchanges (i.e. meetings, phone conversations, video conferences) and will exclude e-mails, letters and other written communications.

“The database will be available to the public and is intended to allow members of the public access to information about individuals or firms appearing before state agencies for the purpose of influencing decisions in five substantive categories: 1) procuring a state contract for real property, goods or services; 2) rate making; 3) representing clients in regulatory matters; 4) representing clients in a judicial or quasi-judicial proceeding, or 5) representing clients in the adoption or repeal of a rule or regulation.

“NYPA provided its input to the Governor’s Counsel’s Office for inclusion in the guidelines for the implementation of this project. It is anticipated that only employees serving in positions that have decision making authority, including Trustees, will be required to submit covered interactions with individuals or firms subject to Project Sunlight’s disclosure requirements. While formal guidelines are still forthcoming, the intent of this legislation is to encourage full disclosure and the active participation of all agencies and authorities to identify and remove conflicts of interest.

“It is expected that the Ethics and Compliance Office staff will record NYPA’s contacts in the Project Sunlight database after they have been identified and provided by NYPA’s business units. Further information, including required training on Project Sunlight, will be forthcoming as it becomes available.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

“This report highlights important aspects of NYPA’s reliability standards compliance program for the period August 1, 2012 to November 17, 2012. A brief background statement is followed by discussion of specific reliability standards-related topics affecting the enterprise.

BACKGROUND

Following the 2003 Northeast blackout, the Energy Policy Act of 2005 was passed and gave the Federal Energy Regulatory Commission (‘FERC’) the power to establish mandatory standards for electric reliability. FERC named the North American Electric Reliability Corporation (‘NERC’) as its Electric Reliability Organization (‘ERO’) and charged it with developing and enforcing reliability standards. The Northeast Power Coordinating Council (‘NPCC’) is NERC’s enforcement agent for the Northeast U.S. NERC established an organization and processes for developing, implementing and enforcing standards. The initial set of standards became enforceable on June 18, 2007. Since then, the standards have continued to be expanded and revised to address known gaps in the standards or gaps discovered from lessons learned from analyses of more recent system disturbances and blackout events.

“NYPA is currently registered, under the NERC functional registration model, as a Transmission Owner, Generator Owner, Generator Operator, Purchasing and Selling Entity, and Load Serving Entity. Recently, NYPA requested de-registration as a Load Serving Entity. Under these registrations, NYPA is subject to 115 standards containing 379 requirements. The standards cover a wide range of NYPA’s operation and maintenance activities and processes. In addition, NYPA is subject to some more stringent standards and reliability requirements established by NPCC.

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

“During the reporting period, NYPA staff managed compliance enforcement actions related to several of the NERC Reliability Standards that are applicable to NYPA’s NERC registrations. The actions and statuses are briefly stated below:

- a. **PRC-005-1 R2 - Transmission and Generation Protection System Maintenance and Testing** (NERC Violation ID: NPCC2011-00236): NYPA self-reported to NPCC a potential violation of the requirement R2 of PRC-005-1 on February 11, 2011. The

associated mitigation plan closure documents were reviewed and accepted by NPCC staff in early 2012. On August 15, 2012 NYPA met with NPCC staff for the initial settlement discussions. As a result of that meeting, NPCC staff requested some additional information that was subsequently provided to NPCC on October 3, 2012.

- b. **CIP-004-3 R2 - Cyber Security - Personnel and Training** (NERC Violation ID: NPCC20122-00446): NYPA self-reported to NPCC a possible violation of requirement R2 of CIP-004-3 on February 16, 2012. The mitigation plan and associated closure documents were submitted to NPCC for review and approval in April 2012. NPCC submitted them to NERC for approval on May 18 and NERC approved them and submitted them to FERC on June 14. NYPA is awaiting the initiation by NPCC of settlement discussions.
- c. **CIP-004-3 R4 - Cyber Security - Personnel and Training** (NERC Violation ID: NPCC2012-200459): NYPA self-reported to NPCC a possible violation of requirement R4 of CIP-004-3 on March 12, 2012. The mitigation plan was submitted to NPCC in April 2012 and was completed in late June 2012. The mitigation plan closure documents were submitted to NPCC in July 2012 for review and approval. NPCC verified the completion of the mitigation activities on September 4, 2012. As a result, this possible violation will be eligible for Find, Fix, and Track (FFT) processing as a remediated issue. Remediated issues are reported to FERC in an informational filing, which concludes NERC's and NPCC's processing of this possible violation. No penalty or sanction will be assigned to this remediated issue.
- d. **CIP-006-3 R4 - Cyber Security – Physical Security of Critical Cyber Assets** (NERC Violation ID: NPCC2012-200657): NYPA self-reported to NPCC a possible violation of requirement R4 of CIP-006-3 on June 21, 2012. Upon review, NPCC dismissed the R4 self-report and issued a possible violation of CIP-006-3 R1.6. The mitigation plan was submitted to NPCC for review and approval on August 16, 2012. On September 05, 2012 NPCC accepted the submitted mitigation plan and forwarded the Mitigation plan to NERC for its review and approval. On October 3, NYPA submitted the mitigation closure documentation. NPCC verified the completion of the mitigation activities on October 17, 2012. As a result, this possible violation will be eligible for closure under NERC's Find, Fix, and Track (FFT) process as a remediated issue. The remediated issues will be reported to FERC in an informational filing. No penalty or sanction will be assigned to this remediated issue.

Possible Violation Concern Investigations

“During the reporting period, Technical Compliance investigated several possible NERC Reliability Standards compliance concerns identified by the staff pursuant to an internal procedure entitled 'Possible NERC Reliability Standards Compliance Violation.' The compliance concerns were associated with the Protection and Control (PRC), Critical Infrastructure Protection (CIP), Modeling, Data, and Analysis (MOD), and Facilities Design, Connections, and Maintenance (FAC) NERC reliability standards. These investigations are typically concluded within 30 days with a recommendation to either self-report a possible violation to NPPC or not. Any self-reports that are recommended by this process are reported above. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Self-Certifications of Compliance

“During the reporting period, NYPA successfully completed forty-one (41) self-certifications of compliance for NERC reliability standards associated with Protection and Control (PRC), Critical Infrastructure Protection (CIP), Interconnection Reliability Operations and Coordination (IRO), and Facilities Design, Connections, and Maintenance (FAC) related to NYPA's NERC registrations. Technical

Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self certifies compliance.

BULK ELECTRIC SYSTEM DEFINITION (BES)

“The relevant background on this topic is contained in the July 31, 2012 report to the Governance Committee.

“As stated in that report, on June 21, 2012 FERC issued a proposal that would approve NERC’s revisions to the definition of the bulk electric system to provide greater clarity and ensure consistency in identifying system elements across the nation’s reliability regions. Under the new definition, all assets operating at 100 kV or greater will be elements of the bulk electric system. NERC’s Notice of Proposed Rulemaking (‘NOPR’) also proposed to approve NERC’s new rules of procedure for adding elements to and removing them from the definition on a case-by-case basis. While proposing to approve the revisions to the definition of the BES, the NOPR also seeks comment on certain issues, including the exclusion of certain facility configurations from the definition. In August, NYPA staff worked with NPCC and LPPC members in developing responses to FERC’s questions. The responses were submitted to FERC on September 5.

“During the reporting period, NYPA staff continued its reliability compliance gap analysis for its 41 newly identified BES elements transmission assets applicable under NYPA’s current NERC functional registrations. This gap analysis will be completed by the end of 2012. Technical Compliance does not expect to discover any gaps.

“As stated in the July 31, 2012 report, the adoption of the new BES definition may require NYPA to register as a Transmission Operator (TOP) and/or a Transmission Planner (TP), which would require NYPA to demonstrate compliance with additional reliability standards. In October, NYPA met with the NYISO to discuss the assignment of TOP and TP compliance responsibilities and accountabilities for NYPA’s newly identified BES assets. The NYISO agreed, in principle, to take compliance responsibility and accountability for approximately 50% of NYPA’s 41 newly identified assets, since the NYISO already has operational control of those assets pursuant to existing agreements with NYPA. NYPA also plans to engage NPCC and other New York Transmission Owners (TO) regarding reliability standards compliance responsibilities and accountabilities for the remaining assets. In addition, NYPA may be able to exclude certain of these new assets from being subject to the reliability standards. In parallel to these discussions, NYPA continues to meet with the NYISO and the NYTOs to discuss and develop an action plan to address the statewide impacts of the implementation of the new BES definition. This group has been meeting regularly to clarify the impacts with respect to functional responsibility and compliance accountability for the TOP and TP Standards. The team met several times during the reporting period.

NERC RECOMMENDATIONS TO INDUSTRY – Facility Ratings for Transmission Lines

“During the reporting period, NYPA continued to implement its work plan for responding to NERC’s October 7, 2010 ‘NERC Alert – Recommendation to Industry’ requiring NYPA to review its current Facility Ratings Methodology for its solely- and jointly-owned transmission lines to verify that the methodology is based on actual field conditions (in particular, line clearances). As stated in the July 31, 2012 Governance Committee report, the assessment discovered about 260 line clearance discrepancies in NYPA’s 1,400 miles of transmission lines; about 50 of which are on lines rated as high priority. Staff has engaged contractors and other utilities to remediate the discrepancies on the high priority lines; the work on the high priority lines will be completed by the end of 2012. Remediation of discrepancies on the medium priority lines is being planned for completion in 2013.

CYBER SECURITY DEVELOPMENTS

“During the reporting period, NYPA staff continued to monitor the progress toward implementation of Version 5 of NERC’s CIP reliability standards. The industry approved Version 5 in October and NERC Board of Trustees approved Version 5 in November. It is anticipated that the revised

standards will become effective in early 2015. Furthermore in September, the FERC announced the creation of a new FERC office that will help the Commission focus on potential cyber and physical security risks to energy facilities under its jurisdiction. The Office of Energy Infrastructure Security (OEIS) will provide leadership, expertise and assistance to the Commission to identify, communicate and seek comprehensive solutions to potential risks to FERC-jurisdictional facilities from cyber-attacks and such physical threats as electromagnetic pulses. Legislatively, both the U. S. House of Representatives and the U. S. Senate have pending bills that are aimed at further strengthening cyber security. The President is also considering issuing an Executive Order to strengthen national cyber security. Technical Compliance and Information Technology are monitoring these developments on an ongoing basis to assess technical and financial impacts to NYPA's cyber security infrastructure and compliance management.

ENVIRONMENTAL, HEALTH AND SAFETY AUDITS

SUMMARY

“This report highlights aspects of NYPA's environmental, health and safety compliance audit program for the period from September 27, 2011 to October 10, 2012. Per the procedure for the program, reports to the Governance Committee are made annually. A brief background statement is followed by discussion of specific topics affecting the audit program.

BACKGROUND

“Since 2006, NYPA has conducted environmental, health and safety audits at its facilities to ensure that they are operated and maintained in compliance with applicable laws, regulations, permits, policies and procedures. The audit findings identified various regulatory, policy and preferred management practice deficiencies which are being addressed by appropriate staff. They are categorized into three (3) levels which are prioritized based on risk.

“Overall, NYPA's facilities have maintained substantial compliance with environmental, health and safety laws and regulatory requirements. The findings are primarily administrative in nature or address housekeeping issues which do not rise to a high risk level.

Environmental Safety and Health Audits

“Audits were conducted at St. Lawrence Power Project; Hawkins Point Visitors Center; Massena Intake; Wilson Hill Wildlife Management Area; Flynn Power Plant; Harlem River, Hell Gate and Gowanus Power Projects; Research and Development Program; Blenheim Gilboa Power Project; Lansing Manor Visitors Center, a communication tower near Blenheim Gilboa and the Albany office. The audits are divided into program audits and comprehensive environmental, health and safety audits.

“To date, the most significant findings have been at the Poletti Power Project, the Niagara Power Project and Poletti Decommissioning. For Poletti, certain air quality reports had not been filed with the regulatory agency. At Niagara, incompatible materials were being stored together and a construction area was not properly cordoned off. At the Poletti Decommissioning, a confined space program did not include an inventory of confined spaces, and two areas had potential electrical hazards. These issues have been remedied.

“The ‘Addendum to the Environmental Risk Assessment’ to address health and safety compliance issues is being reviewed by staff. It will be finalized shortly. Per the procedure for the program, the Internal Audit Committee will meet later this year to discuss the status of the program and suggestions to improve the program.”

3. **DISCUSSION AGENDA:**

a. **Supplier Diversity Program**

Ms. Debra White, Director of Supplier Diversity Program, provided an update of the Authority's diversity supply program. She said the Authority provides a report on its diversity efforts to the State on a yearly basis. To date, the Authority has expended \$65 million or 19.9% with New York State firms. Ms. White ended by saying that the Authority is on track to achieve the state-mandated goal of 20% of its reportable expenditures to New York State Certified Minority and Women-Owned Business Enterprises ("MWBEs") for the year 2012.

In response to a question from Chairman Nicandri Ms. White said the Authority's expenditures in this effort was more than 20% and it will meet the 20% state mandated goal this year. In response to further question from Chairman Nicandri, Ms. White said there were no indications that the State intends to move the target above 20%.

In response to a question from Trustee LeChase, Ms. White said the 20% requirement includes contracts to both direct contractors and subcontractors, and that the Authority uses the Directory of the New York State certified contractors for its program. If a firm is not certified the Authority cannot count it towards its goal.

In response to a question from Trustee Mahoney, Ms. White said although the majority of its contracts are to direct contractors, there is no requirement for the overall amount expended; the 20% goal is achievable among direct contractors and subcontractors.

President Quiniones said Ms. White and the other Authority business units should be commended for their efforts in meeting the goal for contract awards to MWBEs set by the Governor. Chairman Koelmel said that the diversity program is an opportunity for the Authority to "lead by example" and afford MWBEs an opportunity to do business in the State. President Quiniones added, and Ms. White concurred, that the Authority is among the top agencies in amounts expended in this program.

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

Mr. Chairman, I move that the Authority conduct an executive session pursuant to the Public Officers Law of the State of New York section §105 to discuss matters leading to the appointment, employment, promotion, demotion, 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. **Next Meeting**

The next regular meeting of the Governance Committee is to be determined.

Closing

On motion made and seconded, the meeting was adjourned by the Chairman at approximately 10:50 a.m.

A handwritten signature in cursive script, appearing to read "Karen Delince".

Karen Delince
Corporate Secretary

December 18, 2012

EXHIBITS

TO

December 18, 2012

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY
September 30, 2012

In accordance with the Procurement Guidelines “procurement contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects, including but not limited to goods such as office supplies, major electrical equipment, construction and maintenance work and services

The following is a summary of all procurement contracts including multi-year contracts awarded prior to September 30, 2012. These contracts have been active during 2012 and are \$5,000 or greater in value. There are 1,891 such contracts with a total estimated value of more than \$3.0 billion not including fossil fuel or corporate finance expenditures covered in Sections 5.6 and 5.7 of this report. The total expenditures thus far in 2012 have exceeded \$312 million for these contracts.

- 13% of these contracts are for construction work;
- 46% are for the purchase of equipment and commodities;
- 12% are for personal service contracts such as professional consulting services
- 1% are for architectural and engineering services
- 1% are for legal services
- 27% are for other services, such as maintenance, technicians, contracted personnel, maintenance and repairs.

Based on the total value of the contracts included in this summary, approximately 97% of the total dollars expended were for contracts that were competitively bid. The basis for the sole source/single source awards included the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis, proprietary sources, procurement from NYS Certified Minority/Women Owned Business Enterprises (MWBES) and NYS Small Businesses.

DISPOSAL OF PERSONAL PROPERTY
January – September 2012

2012 YTD Report of Disposal of Personal Property

Public Authorities Law (“PAL”) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended by the Public Authorities Reform Act of 2009 (“PARA”), requires the Authority to prepare a report, not less frequently than annually, listing all Personal Property disposed of during the reporting period. To that end, the 2012 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 PAL § 2896, will be included in the official 2012 Annual Report of Disposal of Personal Property (to be finalized in the First Quarter of 2013 for review and approval by the Trustees at their March 2013 meeting, and included in the Authority’s filings with various State entities). The sale price and other additional data (such as fair market value, date of transaction, full address of purchaser, etc.) required by the Authorities Budget Office (“ABO”) will be included in the 2012 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2013.

FACILITIES – Third Quarter Activity, YTD Summary and Subtotal

During the reporting period, there were four (4) Personal Property Disposal transactions over \$5,000 in value, as further set forth on pages 1 – 2 of the attached Report. Of this number, three (3) such transactions were conducted by the Property Disposal Coordinators (“PDCs”) at the Facilities under existing contracts for the disposal / sale of scrap metals at the Niagara and St. Lawrence Projects, resulting in payment to the Authority of \$23,553.75.

The Authority also participated in an online auction (July 3 – August 7, 2012) handled by the firm Auctions International for the sale of a LeBlond Special Lathe at the Clark Energy Center. Such auction resulted in net proceeds to the Authority of \$145,000.

The Facilities 3rd Quarter “Price Received by the Authority” for these four transactions was \$168,553.75.

In summary, YTD there were ten (10) Personal Property Disposal transactions over \$5,000 in value conducted by or on behalf of the Facilities, resulting in a **2012 YTD Total “Price Received by the Authority” of \$240,977.40**.

FLEET – Third Quarter Activity, YTD Summary and Subtotal

During the reporting period, the Authority participated in one Fleet-related auction conducted by the firm JJ Kane Auctioneers on August 25, 2012 in Rome, NY, which resulted in the sale of 33 units. Of this number, there were 22 disposal transactions with a Sale Price over \$5,000, which are included on pages 3 – 4 of the attached Report. The auction “Sale Price” (Gross) for these 22

units was \$179,150.00, which resulted in a 3rd Quarter “Price Received by the Authority” (Net Amount) of \$171,111.12 after commission and transportation costs were deducted.

Year-to-date, the Authority participated in four Fleet-related auctions* conducted by the firm JJ Kane Auctioneers, which resulted in the sale of a total of 74 units comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 36 disposal transactions with a Sale Price over \$5,000, which are listed on the attached Report. The total auction “Sale Price” (Gross) for these 36 units was \$386,600.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$370,737.58 after commission and transportation costs were deducted.

*There were two auctions held on March 24, 2012, in Medford, NY and Rome, NY, that resulted in the sale of a total of 8 units, all under \$5,000 and therefore not included in the attached Report. The third auction was held on May 5, 2012 in Rome, NY and resulted in the sale of 33 units, of which 14 were over \$5,000. As previously mentioned, the fourth auction was held on August 25, 2012 in Rome, NY and resulted in the sale of 33 units, of which 22 were over \$5,000.

Additionally, at their meeting of June 26, 2012, the Authority’s Trustees approved the transfer of ten (10) Authority fleet vehicles to the New York State Office of General Services (“OGS”) for use by OGS in furtherance of its strategic goal to minimize state expenditures and become as efficient as possible in the use of all resources at their disposal. To date, seven (7) such transfers have been completed, as listed on page 5 of the attached Report.

In summary, the **Fleet 2012 YTD Total “Price Received by the Authority” for the 36 auction transactions over \$5,000 was \$370,737.58.**

2012 YTD Grand Total as of 9/30/12

As summarized on page 5 of the attached Report, the **2012 YTD Grand Total “Price Received by the Authority” (Net Amount)** for all Personal Property in excess of \$5,000 was **\$611,714.98** [Sale Price (Gross) \$627,577.40 less \$15,862.42 (commission / transportation fees, where applicable)]. (It should be noted that an additional \$29,332.14 was received for the sale of 38 Fleet units with a value less than or equal to \$5,000, which are not included in the attached Report.)

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 9,137.44	\$ 9,137.44
PRIME POWER EMERGENCY DUTY GENERATOR SETS (3) AT B-G PROJECT	CAMP AUTO & TRUCK PARTS INC	\$ 18,200.00	\$ 18,200.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 7,974.76	\$ 7,974.76
SCRAP METALS AT ST. LAWRENCE PROJECT	WEITSMAN RECYCLING LLC	\$ 12,950.00	\$ 12,950.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,290.45	\$ 8,290.45
SCRAP COPPER CABLE (FROM SCPP – HELL GATE) AT POLETTI PROJECT	GERSHOW RECYCLING	\$ 15,871.00	\$ 15,871.00
LEBLOND SPECIAL LATHE AT CLARK ENERGY CENTER	MACHINERY EXPERT	\$ 145,000.00	\$ 145,000.00

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT ST. LAWRENCE PROJECT	WEITSMAN RECYCLING LLC	\$ 6,445.60	\$ 6,445.60
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,523.47	\$ 8,523.47
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,584.68	\$ 8,584.68
	SUBTOTAL:	\$ 240,977.40	\$ 240,977.40

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
1980 SEFAC 6 TON VEHICLE LIFT	S & N AUTO SALES	\$ 5,500.00	\$ 265.00	\$ 5,235.00
1997 FONTAINE POLE TRAILER	COOPERSBURG KENWORTH	\$ 5,100.00	\$ 267.28	\$ 4,832.72
1998 EAGER BEAVER TRAILER	CARVER CONSTRUCTION INC	\$ 12,500.00	\$ 710.00	\$ 11,790.00
2000 CHEVY K2500 PICKUP	B J MOTORS	\$ 6,500.00	\$ 309.28	\$ 6,190.72
2000 CHEVY K3500 PICKUP	UPSTATE AUTO SALES INC	\$ 6,750.00	\$ 316.78	\$ 6,433.22
2000 FONTAINE POLE TRAILER	COOPERSBURG KENWORTH	\$ 5,200.00	\$ 270.28	\$ 4,929.72
2000 INTERNATIONAL TRUCK	STEVEN J HALL GENERAL CONTRACTOR INC	\$ 15,500.00	\$ 579.28	\$ 14,920.72
2001 BOBCAT MINI EXCAVATOR	BRAVO AUTO SALES INC	\$ 15,000.00	\$ 558.75	\$ 14,441.25
2001 BOBCAT SKIDSTEER LOADER	CARVER CONSTRUCTION INC	\$ 12,000.00	\$ 523.13	\$ 11,476.87
2001 KENWORTH T800B TRUCK	RIDGE ROAD LEASING LLC	\$ 79,000.00	\$ 2,484.28	\$ 76,515.72
2001 TRAILEZE LOWBOY TRAILER	ALDEN TRUCKS LTD	\$ 19,500.00	\$ 699.28	\$ 18,800.72
2002 CHEVY K2500 PICKUP	B J MOTORS	\$ 8,500.00	\$ 363.75	\$ 8,136.25
2002 FORD F350 PICKUP	CASSONE LEASING INC	\$ 6,200.00	\$ 294.75	\$ 5,905.25
2002 POLARIS ATV	L P TRUCKING	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2002 POLARIS ATV	JABLONSKI DAIRY	\$ 6,000.00	\$ 288.75	\$ 5,711.25
2003 GMC K2500 PICKUP	B J MOTORS	\$ 8,000.00	\$ 354.28	\$ 7,645.72
2004 CHEVY CARGO VAN	JETS AUTO	\$ 8,750.00	\$ 371.25	\$ 8,378.75
2004 CHEVY TAHOE	WILLIAM CHMIELEWSKI	\$ 7,500.00	\$ 339.40	\$ 7,160.60

* Sale Price less commission / transportation costs; includes items where the Sale Price exceeded \$5,000

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
2004 FORD F350 PICKUP	UPSTATE AUTO SALES INC	\$ 8,000.00	\$ 354.28	\$ 7,645.72
2005 FORD F250 PICKUP	MARK LEHAN	\$ 8,400.00	\$ 366.28	\$ 8,033.72
2006 FORD E350 VAN	KEN LUGIBIHL AUTO & TRUCK SALES INC	\$ 11,000.00	\$ 438.75	\$ 10,561.25
2006 FORD E350 VAN	KEN LUGIBIHL AUTO & TRUCK SALES INC	\$ 11,000.00	\$ 438.75	\$ 10,561.25
2007 CHEVY IMPALA	R F RUSSO	\$ 6,400.00	\$ 300.75	\$ 6,099.25
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 12,500.00	\$ 489.28	\$ 12,010.72
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 12,500.00	\$ 489.28	\$ 12,010.72
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 13,000.00	\$ 504.28	\$ 12,495.72
2007 FORD F350 PICKUP	BJ MOTORS	\$ 10,000.00	\$ 408.75	\$ 9,591.25
2007 KUT KWICK SSM3 MOWER	LAMONICA MOTOR SALES	\$ 7,500.00	\$ 333.75	\$ 7,166.25
2007 POLARIS ATV	L P TRUCKING	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2007 TOYOTA PRIUS	MELLACE AUTO	\$ 7,000.00	\$ 318.75	\$ 6,681.25
2007 TOYOTA PRIUS	UNIQUE AUTO PLAZA	\$ 6,600.00	\$ 306.75	\$ 6,293.25
2008 CHEVY IMPALA	COLLIER FARMS LLC	\$ 6,300.00	\$ 297.75	\$ 6,002.25
2008 CHEVY IMPALA	R F RUSSO	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2008 CHEVY IMPALA	BRAVO AUTO SALES INC	\$ 6,400.00	\$ 300.75	\$ 6,099.25
2008 CHEVY IMPALA	R F RUSSO	\$ 6,600.00	\$ 306.75	\$ 6,293.25
2008 CHEVY IMPALA	BRAVO AUTO SALES INC	\$ 6,400.00	\$ 300.75	\$ 6,099.25

* Sale Price less commission / transportation costs; includes items where the Sale Price exceeded \$5,000

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
2007 CHEVY TAHOE	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2007 TOYOTA HIGHLANDER	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2007 TOYOTA HIGHLANDER	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2009 DODGE DURANGO	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2009 TOYOTA HIGHLANDER	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2010 CHEVY TAHOE	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A
2011 CHEVY TAHOE	NYS OGS FLEET MANAGEMENT	N/A	N/A	N/A

FLEET SUBTOTAL:	\$ 386,600.00	\$ 15,862.42	\$ 370,737.58
+ SUBTOTAL PAGE 2:	<u>\$ 240,977.40</u>	---	<u>\$ 240,977.40</u>
GRAND TOTAL:	<u>\$ 627,577.40</u>	\$ 15,862.42	<u>\$ 611,714.98</u>

* Sale Price less commission / transportation costs; includes items where the Sale Price exceeded \$5,000

**ACQUISITION AND DISPOSAL OF REAL PROPERTY
JULY 1 – SEPTEMBER 30, 2012**

Section 2896 of the Public Authorities Law (PAL) requires a report setting out 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 – September 30, 2012.

I. ACQUISITIONS

Niagara Mohawk Power Corporation/National Grid

The Real Estate group finalized an Assumption and Assignment Agreement with National Grid to secure an easement to a portion of the NATL right-of-way near Clay, NY. This matter had been outstanding since the relocation of the Clay substation in 2007. The agreement was filed in the Onondaga County Clerk's office on September 26, 2012.

Jay and Nancy Fisher

A Grant of Easement from Jay P. and Nancy Gray Fischer was finalized for the acquisition of 0.80 of an acre for a distribution line and 0.02 of an acre for a newly established anchor for the PV-20 line. These permanent easements were acquired for the PV-20 line and the Grant of Easement was recorded in the Clinton County Clerk's Office on July 30, 2012.

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

During this reporting period, the Authority acquired eight 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, and Plattsburgh-Vermont. This is an on-going effort.

In addition, the real estate group issued seven land use permits for use of the Authority's easement areas. These permits, with their accompanying insurance requirements, assure the use of the Authority's easement consistent with the operation of our transmission lines. In addition, these permits can be used to allow other State and municipal entities use of NYPA facilities. A listing of these permits and their respective purposes is set out below.

Permit No.	Permittee
SLPP-12-1P	Peak Sport Solutions
Type of Permit	Date Into Real Estate
Special Use	3/21/2012
Purpose	
Conduct half marathon and 5K road race partially on Power Authority property.	

Date Issued

9/26/2012

Permit No.

NPP-12-4P-A1

Type of Permit

Permit Requiring Insurance

Purpose

Gain access and the investigation of existing conditions at the former Schoellkopf Power Plant Site as shown on attachment "B" and to conduct all work as described in attachment "C".

Date Issued

7/18/2012

Permittee

Maid of the Mist Corporation

Date Into Real Estate

5/23/2012

Permit No.

SLPP-12-4P

Type of Permit

Sign Permit

Purpose

Erect and maintain 1 sign at the intersection of County Route 42 and NY State Route 131 at the corner convenience store. Sign is to be 40" x 96", double sided with a lighted flashing arrow.

Date Issued

7/20/2012

Permittee

Rene Paige

Date Into Real Estate

6/16/2012

Permit No.

ME-12-1P

Type of Permit

Permit Requiring Insurance

Purpose

Install, operate, maintain, repair, replace, and remove an existing distribution pole (P-12) with another distribution pole with the same number, being 35 feet in length and transfer conductors (7.62 kV) within the Authority's easement.

Date Issued

7/23/2012

Permittee

National Grid

Date Into Real Estate

7/2/2012

Permit No.

SLPP-12-5P

Type of Permit

Access

Purpose

Access to the area on Ogden Island for a fireworks display.

Date Issued

8/3/2012

Permittee

Town of Waddington and Majestic Fireworks, Inc.

Date Into Real Estate

7/23/2012

Permit No.

SLPP-12-6P

Type of Permit

Access

Purpose

Access to the area designated as the site for a fireworks display.

Date Issued

8/16/2012

Permittee

St. Lawrence Co. Chamber & Young Explosives

Date Into Real Estate

7/23/2012

Permit No.

01-12-NPP

Permittee

New York Power Authority

Type of Permit

Entry and Testing

Date Into Real Estate**Purpose**

Permitter: Niagara University. The Power Authority shall have the right to enter upon the property to conduct and perform some or all of the following activities: surveys, geotechnical soil borings and analysis, boundary surveys and such other tests and inspections of the Property which the Power Authority may deem necessary.

Date Issued

9/21/2012

Permit No.

CEC-11-1P

Permittee

Development Authority of the North Country

Type of Permit

Permit Requiring Insurance

Date into Real Estate

March 24, 2011

Purpose

Construct etc an underground fiber optic cable from Glass Factory Road to, through and within the Marcy-Edic 345 easement to Glass Factory Road.

Date Issued

9/26/12

Permit No.

BG-95-1P Amendment II

Permittee

Schoharie County

Type of Permit

Permit Requiring Insurance

Purpose

Extend and renew an existing permit to use the Authority's communications tower on Brown Mountain for Schoharie County's dispatching of Fire, Ambulance and Sheriff Patrols.

Date Issued

8/1/ 2012

II. DISPOSITIONS

Niagara Mohawk Power Corporation and Verizon Communications, Inc. – Conveyed an easement to Niagara Mohawk Power Corporation and Verizon Communications, Inc. for the construction, operation, and maintenance of a distribution electric line. This line provides power into the Coles Creek State Park.

III. LEASINGHeadquarters Leasing

The Authority maintains facilities which it leases or subleases out to various tenants. The available space in the building at 123 Main Street remains substantially leased through this reporting period. The lease extension entered into with Assured SKCG in this period anticipates phased expansion into the entirety of the 14th floor. The remaining available space is currently listed with our broker, Newmark Knight Frank, which has been actively marketing and showing the space.

Our total inventory of landlord leases, which generates more than \$2.6M in annual revenue, is set out in the table below.

FACILITY	TENANT	PURPOSE	EXPIRATION	ANNUAL RENTAL
WPO	Berman Bavero	Office Space	9/30/2014	\$201,211.00

WPO	Danziger & Markhoff	Office Space	3/31/2017	\$431,070.00
WPO	Hodagaya Chemical	Office Space	5/31/2015	\$69,817.00
WPO	Federal Bar	Office Space	7/31/2016	\$63,817.00
WPO	Continental III, Inc.	Restaurant	2/28/2011	\$34,470.00
WPO	Arch Wireless	Beeper System (WPO Garage)	10/31/2011	\$5,400.00
WPO	Thomas M. Bona, PC	Office Space	12/31/2016	\$290,376.00
WPO	SKCG Group , Inc.	Office Space	6/30/2023	\$440,713.00
WPO	Community Mutual	Office Space	4/30/2015	\$173,491.00
WPO	Misys	Office Space	12/31/2016	\$705,600.00
WPO	Westchester Philharmonic	Office Space	12/31/2014	\$10,875.00
WPO	West. Co. Narcotics Initiative	Office Space (Permit for Temporary Use)	12/31/2014	\$45,780.00
WPO	West. Co. District Attorney	Office Space (Permit for Temporary Use)	12/31/2014	\$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	12/31/2012	\$6,900.00
WPO	Canter Law Firm	Office Space	10/31/2017	\$53,160.00
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		\$2,612,626.00

SKCG, INC.

During this reporting period, NYPA Real Estate, together with the law department and corporate support, successfully negotiated, obtained approval from the NYPA Trustees and finalized the terms of a ten year, ten month lease extension with a current tenant, Assured SKCG, Inc. This lease is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rental</u>
SKCG, Inc.	19,372 feet on the 14 th floor	6/30/23	\$440,713

Leasing Support for Operating Projects and Transmission Facilities:

Real Estate concluded lease extensions during this reporting period.

Great Lakes Towing Company

A license between the Authority (Licensor) and The Great Lakes Towing Company (Licensee) was renewed for a new term from August 1, 2012 to July 31, 2015. License signed by Licensee on July 5, 2012 and by Authority on August 1, 2012. This license will allow Great Lakes towing company to use 170 feet of bulkhead/ seawall docking space for two (2) tug boats.

IV. 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.

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.

NYPA Surplus Map No	NYPA Surplus Parcel No	Surplus Parcel Acres	Current Owners name	Appraisal Value	Name of Town	Deed Filed in County Clerk
1199C	8355	5.06	J. RICHARD MAYETTE	\$ 25,300.00	Waddington	8/1/2012
1167C	8191	0.42	John C. Krol and Linda W. Krol	\$ 8,400.00	Waddington	9/4/2012
1157C	8696	0.01	Robert Ryan	\$ 50.00	Waddington	9/4/2012
1170C	8714	0.35	Alan J. Winney and Marion M. Winney	\$ 1,050.00	Waddington	9/4/2012

During this period, four deeds were finalized and recorded in the County Clerk's office. This brings the total to 511 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 425 parcels have been completed.

GOVERNANCE
SUPPLIER DIVERSITY PROGRAM
January – September 2012

In the last quarter ending September 30, 2012, NYPA awarded \$15.5 million or 16.6% of our reportable expenditures to New York State Certified Minority and Women-Owned Business Enterprises (M/WBEs). From January 2012 thru September 30th, 2012, the Authority awarded \$ 47.7 Million or 18.3 % of our reportable expenditures to New York State Certified M/WBEs. This includes both direct contracts and subcontracts, including construction and energy efficient related work. Reportable expenditures exclude specialty procurements (such as transformers, circuit breakers, turbine runners and other major electrical generating equipment, and commodities such as natural gas, where no M/WBEs are available to provide such goods or services). The mandated goal for fiscal year 2012-2013 remains at 20% and with two quarters remaining, we are positioned to achieve that goal.

It should also be noted that during this last quarter, three different NYS certified M/WBE financial dealers transacted over \$93 Million or 32.4% of principal sales and purchases for the Authority and YTD M/WBEs have transacted in excess of \$195 Million for the Authority.

NYPA's M/WBE advocacy and initiatives continues to be recognized as our Director of Supplier Diversity was recently recognized and presented with a "Woman of Excellence" award by the New York Women Chamber of Commerce.

The Authority continues to actively participate in outreach program with various M/WBE entities and will participate in New York State's upcoming M/WBE Forum.

INVENTORY STATISTICS

As of September 30, 2012

Facility	2012	2011
Niagara	17,390,146	16,801,405
St. Lawrence	10,828,215	11,703,281
Blenheim-Gilboa	8,147,648	7,822,341
Clark Energy Center	5,175,894	4,536,251
Poletti Project ¹	6,239,351	12,052,486
Flynn Project	13,297,197	14,795,879
500 MW Project ²	24,952,651	22,084,929
Total Stock Value	\$86,031,105	\$89,796,574

¹ Includes \$8.4 million reduction in Poletti inventory due to divestiture, completed Oct. 2011.

² Includes \$4.1 million for purchase of spare gas compressor, compressor blades, OEM valves and packing head.

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH JUNE 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T E	Y P	M O	R N	O A	W P	B A	D E	S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B		F				31		\$45,127,638	\$45,127,638	\$7,086,041	\$0	11/19/2008	O	*	
FD-2008-11	ALLIED ENERGY RESOURCES CORPORATION 1330 Post Oak Blvd Suite 2200 Houston, TX 77056	Natural Gas Purchase	E	B		F	X			31		\$5,500,999	\$5,500,999	\$0	\$0	12/01/08	c	*	10/03/11
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B		F				31		\$148,511,468	\$148,511,468	\$4,447,445	\$0	3/21/2007	O	*	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B		F				31		\$168,290,671	\$168,290,671	\$0	\$0	12/01/01	O	*	
FD-2009-03	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Balancing Service	E	S		O	F					\$3,850,000	\$3,850,000	\$550,000	\$0	01/01/09	O	12/31/14	
FD-2009-04	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S		O	F					\$8,119,060	\$8,119,060	\$1,416,270	\$0	01/01/09	O	12/31/14	
FD-2009-05	nationalgrid-NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	S		O	F					\$4,958,362	\$4,958,362	\$554,568	\$0	03/01/09	O	03/31/14	
FD-2009-06	nationalgrid -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S		O	F					\$405,174	\$405,174	\$77,221	\$0	03/01/09	O	03/31/14	
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B		F				31		\$28,360,583	\$28,360,583	\$3,305,522	\$0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B		F				31		\$1,010,427	\$1,010,427	\$641,750	\$0	02/01/10	o	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B		F				31		\$14,020,974	\$14,020,974	\$48,750	\$0	08/09/10	o		
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B		F				31		\$11,017,721	\$11,017,721	\$0	\$0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B		F				31		\$83,241,402	\$83,241,402	\$0	\$0	04/22/03	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH JUNE 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R O A	O N A	P A	W B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B		F			31	\$202,957,625	\$202,957,625	\$6,010,138	\$0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B		F			31	\$55,860,651	\$55,860,651	\$0	\$0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B		F			31	\$561,532,426	\$561,532,426	\$17,802,161	\$0	07/11/03	O	*	
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B		F			31	\$59,359,753	\$59,359,753	\$0	\$0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F			31	\$180,117,537	\$180,117,537	\$655,888	\$0	06/01/04	O	*	
FD-2004-14	ONEOK ENERGY SERVICES CO. 100 West Fifth Street Tulsa, OK 74103	Natural Gas Purchase	E	B		F			31	\$94,754,910	\$94,754,910	\$0	\$0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B		F			31	\$73,839,766	\$73,839,766	\$0	\$0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B		F			31	\$181,081,048	\$181,081,048	\$17,292,493	\$0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B		F			31	\$126,500,213	\$126,500,213	\$0	\$0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B		F			31	\$44,715,916	\$44,715,916	\$0	\$0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	S		F				\$21,459,702	\$21,459,702	\$1,645,428	\$0	07/01/06	O	10/31/17	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S		F				\$15,837,028	\$15,837,028	\$1,283,593	\$0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	S		F				\$9,118,440	\$9,118,440	\$728,736	\$0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B		F			31	\$13,278,515	\$13,278,515	\$1,677,414	\$0	10/01/06	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH JUNE 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R O A	O N A	P B A	M W E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2007-08	ASSOCIATED ENERGY SERVICES (Formerly Spark Energy Gas) 3010 Briorpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B		F			31	\$94,020,699	\$94,020,699	\$3,509,283	\$0	02/14/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S		F				\$34,302	\$34,302	\$0	\$0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B		F			31	\$72,450	\$72,450	\$0	\$0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B		F			31	\$14,597,304	\$14,597,304	\$0	\$0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B		F			31	\$36,029,220	\$36,029,220	\$0	\$0	03/01/08	O	*	
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S		F				\$12,206,564	\$12,206,564	\$262,664	\$0	04/01/94	O	09/30/13	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S		F				\$3,874,049	\$3,874,049	\$65,666	\$0	10/01/93	O	09/30/13	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F			31	\$268,553,978	\$268,553,978	\$1,782,897	\$0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B		F			31	\$424,343,400	\$424,343,400	\$5,696,528	\$0	05/01/97	O	*	
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S		F				\$16,129,254	\$16,129,254	\$1,543,777	\$0	08/01/08	O	04/30/16	
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B		F			31	\$45,588,535	\$45,588,535	\$2,272,490	\$0	07/01/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B		F			31	\$520,725	\$520,725	\$0	\$0	12/01/08	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH JUNE 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y A A	M O N A	R O A	P B A	W B E	I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B		F			31	\$13,847,088	\$13,847,088	\$8,846,310	\$0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B		F	X		31	\$7,683,238	\$7,683,238	\$2,209,640	\$0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B		F			31	\$3,536,125	\$3,536,125	\$248,909	\$0	06/01/11	O	*	
FD-2011-04	SAYBOLT LP Laboratories Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B		F				\$12,184	\$12,184	\$2,484	\$0	01/01/11	O	12/31/13	

FUELS TOTALS **\$3,103,877,124** **\$3,103,877,124** **\$91,664,066**

NOTE:

* Contract continues until terminated by NYPA or Counterparty upon specified notice.

(1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O D E	R A T E	O P E R A T I O N S	M W B E	B I D	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B		F		31	\$49,283,782	\$49,283,782	\$11,242,185	\$0	11/19/2008	O	*	
FD-2008-11	ALLIED ENERGY RESOURCES CORPORATION 1330 Post Oak Blvd Suite 2200 Houston, TX 77056	Natural Gas Purchase	E	B		F	X	31	\$5,500,999	\$5,500,999	\$0	\$0	12/01/08	c	*	10/03/11
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B		F		31	\$148,511,468	\$148,511,468	\$4,447,445	\$0	3/21/2007	O	*	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B		F		31	\$168,290,671	\$168,290,671	\$0	\$0	12/01/01	O	*	
FD-2009-03	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Balancing Service	E	S	O	F			\$4,125,000	\$4,125,000	\$825,000	\$0	01/01/09	O	12/31/14	
FD-2009-04	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S	O	F			\$8,885,012	\$8,885,012	\$2,182,222	\$0	01/01/09	O	12/31/14	
FD-2009-05	nationalgrid-NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	S	O	F			\$5,321,285	\$5,321,285	\$917,491	\$0	03/01/09	O	03/31/14	
FD-2009-06	nationalgrid -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S	O	F			\$565,188	\$565,188	\$237,235	\$0	03/01/09	O	03/31/14	
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B		F		31	\$28,922,470	\$28,922,470	\$3,867,409	\$0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B		F		31	\$1,010,427	\$1,010,427	\$641,750	\$0	02/01/10	o	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B		F		31	\$14,020,974	\$14,020,974	\$48,750	\$0	08/09/10	o		
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B		F		31	\$11,017,721	\$11,017,721	\$0	\$0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B		F		31	\$83,241,402	\$83,241,402	\$0	\$0	04/22/03	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2012
 PAL 2879-a

EXHIBIT 2b-6

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R A	O A	W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B		F		31	\$203,947,500	\$203,947,500	\$7,000,013	\$0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B		F		31	\$55,860,651	\$55,860,651	\$0	\$0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B		F		31	\$577,870,833	\$577,870,833	\$34,140,568	\$0	07/11/03	O	*	
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B		F		31	\$61,375,574	\$61,375,574	\$2,015,821	\$0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		31	\$180,117,537	\$180,117,537	\$655,888	\$0	06/01/04	O	*	
FD-2004-14	ONEOK ENERGY SERVICES CO. 100 West Fifth Street Tulsa, OK 74103	Natural Gas Purchase	E	B		F		31	\$94,754,910	\$94,754,910	\$0	\$0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B		F		31	\$73,839,766	\$73,839,766	\$0	\$0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B		F		31	\$193,284,964	\$193,284,964	\$29,496,409	\$0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B		F		31	\$126,500,213	\$126,500,213	\$0	\$0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B		F		31	\$44,715,916	\$44,715,916	\$0	\$0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	S		F			\$22,273,708	\$22,273,708	\$2,459,434	\$0	07/01/06	O	10/31/17	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S		F			\$16,462,129	\$16,462,129	\$1,908,694	\$0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	S		F			\$9,485,850	\$9,485,850	\$1,096,146	\$0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B		F		31	\$13,710,540	\$13,710,540	\$2,109,439	\$0	10/01/06	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R A	O A	M P A	B E	I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2007-08	ASSOCIATED ENERGY SERVICES (Formerly Spark Energy Gas) 3010 Briorpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B		F			31	\$97,024,803	\$97,024,803	\$6,513,387	\$0	02/14/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S		F				\$34,302	\$34,302	\$0	\$0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B		F			31	\$72,450	\$72,450	\$0	\$0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B		F			31	\$14,597,304	\$14,597,304	\$0	\$0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B		F			31	\$36,029,220	\$36,029,220	\$0	\$0	03/01/08	O	*	
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S		F				\$12,337,895	\$12,337,895	\$393,995	\$0	04/01/94	O	09/30/13	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S		F				\$3,906,882	\$3,906,882	\$98,499	\$0	10/01/93	O	09/30/13	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F			31	\$268,978,011	\$268,978,011	\$2,206,930	\$0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B		F			31	\$427,552,587	\$427,552,587	\$8,905,715	\$0	05/01/97	O	*	
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S		F				\$18,469,388	\$18,469,388	\$3,883,911	\$0	08/01/08	O	04/30/16	
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B		F			31	\$46,524,372	\$46,524,372	\$3,208,327	\$0	07/01/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B		F			31	\$520,725	\$520,725	\$0	\$0	12/01/08	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK
 PROCUREMENT CONTRACTS
 JANUARY THROUGH SEPTEMBER
 2012
 PAL 2879-a

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R A	O A	M P A	B E	B S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B		F			31	\$20,708,191	\$20,708,191	\$15,707,413	\$0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B		F	X		31	\$8,945,418	\$8,945,418	\$3,471,820	\$0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B		F			31	\$3,688,993	\$3,688,993	\$401,777	\$0	06/01/11	O	*	
FD-2011-04	SAYBOLT LP Core Laboratories 6316 Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B		F				\$18,525	\$18,525	\$8,825	\$0	01/01/11	O	12/31/13	

FUELS TOTALS \$3,162,305,556 \$3,162,305,556 \$150,092,498

NOTE:

* Contract continues until terminated by NYPA or Counterparty upon specified notice.

(1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

TOTAL NUMBER OF CONTRACTS	18	
TOTAL CONTRACT VALUE		\$19,983,213
TOTAL EXPENDED TO DATE		\$14,854,577
TOTAL EXPENDED IN REPORT YEAR		\$3,403,117
TOTAL CONTRACT BALANCE		\$5,128,636

STATUS SUMMARY

TOTAL NUMBER OPEN CONTRACTS	16
TOTAL NUMBER CLOSED CONTRACTS	0

METHOD OF AWARD SUMMARY

TOTAL NUMBER COMP BID	
TOTAL NUMBER SOLE SOURCE/SINGLE SOURCE	2
TOTAL NUMBER COMP SEARCH	14
TOTAL NUMBER MWBE/SBE	

COMMITMENT TYPE SUMMARY

TOTAL NUMBER ARCHITECTURAL & ENGINEERING SERVICES	
TOTAL NUMBER CONSTRUCTION	
TOTAL NUMBER EQUIP/GOODS/COMMODITY	
TOTAL NUMBER LEGAL SERVICES	0
TOTAL NUMBER PERSONAL SERVICES	
TOTAL NUMBER OTHER NON PERSONAL SERVICES	16

NEW YORK POWER AUTHORITY

EP: 3.6

EMPLOYEE POLICY

REVISION: 10

DATE:

10/09/2012~~11/08/201~~

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PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

EDUCATIONAL ASSISTANCE PROGRAM

Purpose

- 1.1 The Authority is committed to helping its salaried employees pursue professional growth and development and encourages the use of the Educational Assistance Program for courses leading to an undergraduate or graduate degree or a certificate program that is of mutual benefit to employees and the Authority.

Eligibility

- 2.1 The Educational Assistance Program is available to full-time or part-time salaried Authority employees and transitional employees, who maintain a performance rating of “achieved expectations” or better. Generally, employees who receive a performance rating of “partially achieved” or “did not meet expectations” are not eligible to receive benefits under this program. ~~(see section 7.48.4 for additional details)~~. However, there may be instances when supervisors determine that the overall performance of employees with a rating of “partially achieved expectations” may have sufficiently improved to allow them to receive benefits under this program ~~(see section 8.4 for additional details)~~ ~~(see section 7.4 for additional details)~~. Provisional and temporary employees, including cooperative employees and developmental interns, are not eligible for the Educational Assistance Program. (See EP: 3.1, Salaried Employees’ Eligibility for Benefits, for definitions of employee categories.)
- 2.2 Eligibility for the Educational Assistance Program ends upon termination or separation from employment as a NYPA employee. Courses started prior to an employee’s employment date or while on a leave, or courses that are completed after an employee’s termination or separation from employment, are not eligible for reimbursement (see section 3.1 and 7-58.5 for additional details). Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee’s immediate supervisor (see section 7-68.5 for additional details).
- 2.3 School attendance will be at times other than an employee’s normal working hours.

Reimbursement to the Authority

- 3.1 All benefits under this Policy are contingent upon the employee's continued employment with the Authority for a continuous period of at least one year for undergraduate degree programs and two years for graduate programs, such period to begin from the employee's last payment for which a degree was earned. If the employee leaves NYPA's employment before the end of the commitment period (for a reason other than a reduction in force), the employee agrees to repay in full all monies expended by NYPA on behalf of the employee in connection with the applicable degree program. These monies may be taken directly from any exit benefit the employee is eligible to receive.

Eligible Institutions and Programs

- 4.1 In order to be covered by the Educational Assistance Program, the degree or certificate program must be obtained from a regionally accredited educational institution. On-line or distance educational course work (course work taken via the internet) from a regionally accredited educational institution may be reimbursable pending review and approval by an employee's immediate supervisor or Department Head; Business Unit/~~Department~~ Head or Regional Managers at the facilities; Business Group Head and Corporate Human Resources. Fees for proficiency examinations (CLEP for example) are reimbursable only if employees pass the examination and college credit is granted. Fees for review courses are reimbursable only if the course is completed in full and employees obtain a completion certificate. (Employees will be reimbursed for the same or similar review course only once.) A certificate program means an advanced program sponsored by a college or university leading to the award of a specialized certificate. It does not include stand-alone courses such as Dale Carnegie and others. Courses that are not part of a degree or certificate program are not covered by the Educational Assistance Program. The costs for approved courses are covered by individual Business Unit budgets.

Approval

- 5.1 At Headquarters (WPO, Albany Office), the degree or certificate program must first be approved by an employee's immediate supervisor, the Business Unit/Department Head and the Business Group head in accordance with this policy. Approved requests should be forwarded to Human Resources for final determination of eligibility for the Educational Assistance Program. At all other facilities, the degree or certificate program must be approved by an employee's Department Head and Regional Manager in accordance with this policy. Approved requests should be forwarded to site Human Resources for final determination of eligibility for the Educational Assistance Program.
- 5.2 Approval for educational assistance is contingent upon a careful review that the degree or certificate program supports or improves skills required for (1) the employee's current

position or (2) a potential future assignment with the Authority. The degree or certificate program should also be in line with the employee's NYPA career development objectives. Supervisors who approve an educational assistance program application should include the skills the employee will learn in the degree or certificate program in the Developmental Plan section of the employee's Performance Plus Document ("PPD"), and measure the application of those skills on the job in the Performance Assessment Summary section of the employee's PPD.

- 5.3 If the degree or certificate program is aimed at a new career field, there must be a reasonable expectation that job opportunities will exist in the new field within the Authority, and that the employee will qualify for those opportunities. A reasonable expectation, however, is not a guarantee that a position will be available at the time the degree or certificate program is completed. Therefore, reimbursement for tuition and fees will be at half the financial level of reimbursement for undergraduate degrees. At Headquarters, the Business Group Head where this expected opportunity will exist is also required to approve the proposed degree or certificate program. At all other sites, the Regional Manager where this expected opportunity will exist and Human Resources will be required to approve the proposed degree or certificate program.

Reimbursement for Expenses

- 6.1 Employees are responsible for payment of tuition and eligible required fees when registering for courses at eligible institutions. Tuition and eligible fees will be reimbursed only after successful completion of the course(s) at a minimum grade level of "C" or its equivalent or a "P" in a pass/fail course (limited to two courses per degree curriculum) and provided employees are employed by NYPA at the time the course is completed. If requested, Human Resources will provide a school with verification of an employee's eligibility for the program. For employees that are approved for Educational Assistance after September 1, 2012, reimbursements are limited to one reimbursement per season. Seasons are defined as Spring, Summer I, Summer II, Fall and Winter (this does not apply to courses taken through 2011).
- 6.2 For undergraduate courses, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to a maximum reimbursement of \$2,000 per season (as defined above). For undergraduate or graduate courses aimed at a new career field, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to a maximum reimbursement of \$1,000 per season.
- 6.3 For graduate courses related to an employee's current career field, the Authority will reimburse 100% of tuition, books, lab and computer fees, mandatory course registration fees, and thesis/dissertation supplies up to a maximum benefit of \$3,000 per

season.semester.

- 6.4 Ancillary fees that may be required by the educational institution (either mandatory or optional), including but not limited to fees for application, late registration, student activities, health care services, student licensing, matriculation, graduation or diploma are not reimbursable. Parking fees are not reimbursable. Applications for non-routine items not mentioned in this paragraph must be submitted to Human Resources for consideration.

Initial Application Process

- 7.1 Employees must submit an initial Application for Educational Assistance to their immediate supervisor at least 30 days before the registration period. The application must include a copy of the degree or certificate program curriculum. Applications for review courses must be accompanied by a description of the course. Late applications, if accompanied by a written explanation, will be considered on a case-by-case basis. Updated course curriculum may be requested on occasion.
- 7.2 At Headquarters, an employee's immediate supervisor, Business Unit/Department Head and Business Group Head must approve a request for educational assistance. Approved requests should be forwarded to Human Resources for final determination of an employee's eligibility for the program at least two weeks prior to registration. At the sites, Department Heads and Regional Managers must approve an employee's educational assistance requests. Approved requests should be forwarded to the local Human Resources Department for final determination of an employee's eligibility for the program at least two weeks prior to registration. Rejected requests will be returned with the reason for disapproval.
- 7.3 If an employee transfers to a new degree or certificate program or school, or transfers to a new Business Unit/Department within the Authority, a new Application for Educational Assistance must be approved.

Reimbursement Process

- 8.1 If the degree or certificate program is approved, in order to receive reimbursement, a completed Educational Assistance Program Request for Reimbursement Form must be submitted to Human Resources, along with the following items, no later than thirty (30) working days following receipt of evidence of satisfactory course completion:
- an itemized bursar's receipt for tuition and eligible fees paid;
 - a grade report, official transcript or certification of completion of the course(s) documenting a grade of "C" or better, or a "P" in a pass/fail course(s);
 - a sales receipt with book titles and prices itemized by the bookstore;
 - original documentation indicating completion of a review course, if applicable;

- original documentation from school itemizing necessary supplies for a graduate level thesis/dissertation and an original sales receipt for the supplies, if applicable;
 - copy of degree after completion of course curriculum.
- 8.2 Employees who receive financial aid, such as a scholarship, grant or reimbursement from any alternate source must report it and the amount on the Educational Assistance Program Request for Reimbursement Form. This amount will be deducted before computing the allowable reimbursement. Employees who fail to report amounts of financial aid or any other type of reimbursement on the reimbursement form, will be liable for return of the reimbursement award, and face possible exclusion from future Educational Assistance Program eligibility. Any falsification or misrepresentation of information will result in the denial of educational assistance.
- 8.3 If approved, employees will receive their reimbursement in a subsequent paycheck. Original documents will not be returned.
- 8.4 Generally, employees are not eligible for reimbursement for courses started after they receive a performance rating of “partially achieved expectations” or “did not meet expectations”. Courses started prior to receiving a rating of “partially achieved expectations” or “did not meet expectations” will be reimbursed. Employees will be eligible for reimbursement once again for courses started after they achieve and maintain a performance rating of at least “achieved expectations”. ~~However, there may be or in~~ instances when supervisors determine that the performance of employees with a rating of “partially achieved expectations” has improved sufficiently ~~improved to allow them to be eligible to receive benefits under the program.~~
- 8.5 Courses started prior to an employee’s employment date, or while on a non-FMLA medical leave or a personal leave without pay, are not eligible for reimbursement. Courses that are completed after an employee’s termination, or while on a non-FMLA medical leave or personal leave without pay, are not eligible for reimbursement.

- 8.6 Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee's immediate supervisor. Courses started during an approved FMLA medical leave are not eligible for reimbursement.

Tax Consequences

- 9.1 For undergraduate and graduate level courses, the IRS allows the first \$5,250 in employer-provided educational assistance in a calendar year to be considered as non-taxable income. Educational assistance above \$5,250 per year may qualify for "favorable tax treatment" as a working condition fringe benefit, as defined in IRS Publication 15-B Employer's Tax Guide to Fringe Benefits. Requests for favorable tax treatment will be forwarded to the Law Department and when necessary, will confer with the Accounting Department to determine if the educational assistance qualifies for exclusion as a working condition benefit.
- 9.2 While the Authority may initially determine that an employee's educational assistance reimbursement is not taxable income, the Internal Revenue Service's decision is controlling in such circumstances and the Authority disclaims any responsibility for additional taxes, assessments, fines, or penalties imposed by the IRS. Employees are advised to consult with their own qualified tax professional, if they have tax questions.

Vice President, Human Resources

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

EDUCATIONAL ASSISTANCE PROGRAM

Purpose

- 1.1 The Authority is committed to helping its salaried employees pursue professional growth and development and encourages the use of the Educational Assistance Program for courses leading to an undergraduate or graduate degree or a certificate program that is of mutual benefit to employees and the Authority.

Eligibility

- 2.1 The Educational Assistance Program is available to full-time or part-time salaried Authority employees and transitional employees, who maintain a performance rating of “achieved expectations” or better. Generally, employees who receive a performance rating of “partially achieved” or “did not meet expectations” are not eligible to receive benefits under this program. (However, there may be instances when supervisors determine that the overall performance of employees with a rating of “partially achieved expectations” may have sufficiently improved to allow them to receive benefits under this program (see section 8.4 for additional details). Provisional and temporary employees, including cooperative employees and developmental interns, are not eligible for the Educational Assistance Program. (See EP: 3.1, Salaried Employees’ Eligibility for Benefits, for definitions of employee categories.)
- 2.2 Eligibility for the Educational Assistance Program ends upon termination or separation from employment as a NYPA employee. Courses started prior to an employee’s employment date or while on a leave, or courses that are completed after an employee’s termination or separation from employment, are not eligible for reimbursement (see section 3.1 and 8.5 for additional details). Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee’s immediate supervisor (see section 8.5 for additional details).
- 2.3 School attendance will be at times other than an employee’s normal working hours.

Reimbursement to the Authority

- 3.1 All benefits under this Policy are contingent upon the employee’s continued employment

with the Authority for a continuous period of at least one year for undergraduate degree programs and two years for graduate programs, such period to begin from the employee's last payment for which a degree was earned. If the employee leaves NYPA's employment before the end of the commitment period (for a reason other than a reduction in force), the employee agrees to repay in full all monies expended by NYPA on behalf of the employee in connection with the applicable degree program.

Eligible Institutions and Programs

- 4.1 In order to be covered by the Educational Assistance Program, the degree or certificate program must be obtained from a regionally accredited educational institution. On-line or distance educational course work (course work taken via the internet) from a regionally accredited educational institution may be reimbursable pending review and approval by an employee's immediate supervisor or Department Head Business Unit Head or Regional Managers at the facilities Business Group Head and Corporate Human Resources. Fees for proficiency examinations (CLEP for example) are reimbursable only if employees pass the examination and college credit is granted. Fees for review courses are reimbursable only if the course is completed in full and employees obtain a completion certificate. (Employees will be reimbursed for the same or similar review course only once.) A certificate program means an advanced program sponsored by a college or university leading to the award of a specialized certificate. It does not include stand-alone courses such as Dale Carnegie and others. Courses that are not part of a degree or certificate program are not covered by the Educational Assistance Program. The costs for approved courses are covered by individual Business Unit budgets.

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Vice President, Human Resources