

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

June 28, 2005

Video Conference – 10:00 a.m.

New York Power Authority Offices:

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

123 Main Street, 16th Floor, White Plains, NY

Louis P. Ciminelli Construction, 369 Franklin Street, Buffalo, NY

1. Approval of the Minutes of the Meeting of May 24, 2005

2. Power for Jobs Extended Benefits Recommendations for Electricity Savings Reimbursements:

Con Edison – Service Territory	
Kinray, Inc. Whitestone – Queens County Kraft Foods Tarrytown – Westchester County	Long Island Jewish Medical Center Manhasset – Nassau County Pepsi Cola Bottling Company College Point – Queens County
Long Island Power Authority – Service Territory	
Alken Industries Inc. Ronkonkoma – Suffolk County Automatic Data Processing Edgewood – Suffolk County Bruce’s Bakery Great Neck – Nassau County Enzo Clinical Labs, Inc. Farmingdale, Suffolk County Gurwin Jewish Geriatric Center Commack – Suffolk County Hughes-Treitler Military Corporation Garden City – Nassau County	John Hassall, Inc. Westbury – Nassau County John T. Mather Memorial Hospital Port Jefferson – Suffolk County Long Beach Medical Center Long Beach – Nassau County Silver Lake Cookie Co. Islip – Suffolk County Sleepy’s (Warehouse) Bethpage – Nassau County Standard Microsystems Corp. Hauppauge – Suffolk County
Niagara Mohawk – Service Territory	
Anoplate Corporation Syracuse – Onondaga County Brooks Memorial Hospital Dunkirk – Chautauqua County	Hebel Corporation Tonawanda – Erie County Belmont Mills St. Johnsville – Montgomery County

<p>Brownville Specialty Paper Products Brownville- Jefferson County</p> <p>Dal Tile Corporation Olean – Cattaraugus County</p> <p>Diemolding Corporation Canastota – Madison County</p> <p>Faxton Hospital Utica – Oneida County</p> <p>Fiber Glass Industries Amsterdam – Herkimer County</p> <p>Glens Falls Hospital Glens Falls – Warren County</p> <p>Glens Falls Lehigh Cement Company Glens Falls – Warren County</p>	<p>Ontario Foods, Inc. Medina – Orleans County</p> <p>Robinson & Smith, Inc Gloversville- Fulton County</p> <p>St. Lawrence University Canton – St. Lawrence County</p> <p>St. Lukes Memorial Hospital Center New Hartford – Oneida County</p> <p>Syracuse University Syracuse – Onondaga County</p> <p>Welch Allyn Data Collection, Inc. Skaneateles Falls – Onondaga County</p>
<p>Agri-Mark, Inc. Chateaugay – Franklin County</p> <p>Corning, Inc. (Big Flats) Corning – Steuben County</p> <p>Corning Inc. (Southside) Corning – Steuben County</p> <p>Corning, Inc. (SCC & TDM) Corning – Steuben County</p>	<p>Fermer Precision Ilion – Herkimer County</p> <p>Kennedy Valve Elmira – Chemung County</p> <p>Trayer Products Elmira – Chemung County</p> <p>Ward Lumber Co. Inc. Jay – Essex County</p>
<p>Rochester Gas & Electric – Service Territory</p>	
<p>Flower City Printing Inc. Rochester – Monroe County</p>	

- 3. Transfer of Power – Name/Location Changes
- 4. Informational Item - New Legislation

OTHER BUSINESS

- 5. Next Meeting

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

- 1) New York Power Authority, 30 South Pearl Street, Albany NY
- 2) New York Power Authority, 123 Main Street, White Plains, NY
- 3) Louis P. Ciminelli Construction, 369 Franklin Street, Buffalo, NY

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

Louis P. Ciminelli, Chairman (White Plains, NY)
James A. Duncan, Member (Buffalo, NY)
Kevin S. Corbett, Member (New York, NY)

Bernard P. McGarry, Member (Excused)

Also in attendance were:

Eugene W. Zeltmann	President and Chief Executive Officer
David E. Blabey	Executive Vice President, Secretary and General Counsel, NYPA
Louise M. Morman	Senior Vice President – Marketing, Economic Development & Supply Planning, NYPA
Gary Paslow	Vice President – Governmental Affairs & Policy Development
Thomas Warmath	Vice President and Chief Risk Officer, NYPA
James H. Yates	Vice President – Major Account Marketing & Economic Development, NYPA
Angela D. Graves	Deputy Secretary, NYPA
Joseph J. Carline	Assistant General Counsel – Power & Transmission, NYPA
John B. Hamor	Executive Director – State Governmental Relations, NYPA
Joseph Leary	Director – SENY Public & Governmental Affairs, NYPA
James F. Pasquale	Director – Business Power Allocations, Regulation and Billing, NYPA
Michael A. Saltzman	Director – Public Relations, NYPA
Niko Ladopoulos	Legislative Liaison – Public & Governmental Affairs, NYPA
Anthony C. Savino	Manager – Business Power Allocations & Compliance, NYPA
Bonnie Fahey	Executive Administrative Assistant, NYPA
Mary Jean Frank	Associate Secretary, NYPA
Lorna Johnson	Assistant Secretary, NYPA
Michael J. Santarcangelo	Director - Energy Policy, ESDC

1. **Adoption of Minutes**

The minutes of the meeting of May 24, 2005, were unanimously adopted.

2. Power for Jobs Extended Benefits Recommendations for Electricity Savings Reimbursements

The members of the Board considered the 42 applications for electricity savings reimbursements and/or contract extensions listed below for Power for Jobs. Mr. Pasquale explained that some 29,875 jobs would be impacted. See Exhibit ‘2-A.’

The following resolution was unanimously adopted by members of the Board present.

WHEREAS, the following entities have applied for electricity savings reimbursements under the Power for Jobs program:

Con Edison – Service Territory:

**Kinray, Inc.
Whitestone – Queens County**

**Long Island Jewish Medical Center
Manhasset – Nassau County**

**Kraft Foods
Tarrytown – Westchester County**

**Pepsi Cola Bottling Company
College Point – Queens County**

Long Island Power Authority – Service Territory:

**Alken Industries Inc.
Ronkonkoma – Suffolk County**

**John Hassall, Inc.
Westbury – Nassau County**

**Automatic Data Processing
Edgewood – Suffolk County**

**John T. Mather Memorial Hospital
Port Jefferson – Suffolk County**

**Bruce’s Bakery
Great Neck – Nassau County**

**Long Beach Medical Center
Long Beach – Nassau County**

**Enzo Clinical Labs, Inc.
Farmingdale, Suffolk County**

**Silver Lake Cookie Co.
Islip – Suffolk County**

**Gurwin Jewish Geriatric Center
Commack – Suffolk County**

**Sleepy’s (Warehouse)
Bethpage – Nassau County**

**Hughes-Treitler Military Corporation
Garden City – Nassau County**

**Standard Microsystems Corp.
Hauppauge – Suffolk County**

Niagara Mohawk – Service Territory:

**Anoplate Corporation
Syracuse – Onondaga County**

**Hebeler Corporation
Tonawanda – Erie County**

**Brooks Memorial Hospital
Dunkirk – Chautauqua County**

**Helmont Mills
St. Johnsville – Montgomery County**

**Brownville Specialty Paper Products
Brownville- Jefferson County**

**Ontario Foods, Inc.
Medina – Orleans County**

**Dal Tile Corporation
Olean – Cattaraugus County**

**Robinson & Smith, Inc
Gloversville – Fulton County**

**Diemolding Corporation
Canastota – Madison County**

**St. Lawrence University
Canton – St. Lawrence County**

**Faxton Hospital
Utica – Oneida County**

**St. Luke’s Memorial Hospital
Center
New Hartford – Oneida County**

**Fiber Glass Industries
Amsterdam – Herkimer County**

**Syracuse University
Syracuse – Onondaga County**

**Glens Falls Hospital
Glens Falls – Warren County**

**Welch Allyn Data Collection, Inc.
Skaneateles Falls – Onondaga
County**

**Glens Falls Lehigh Cement Company
Glens Falls – Warren County**

New York State Electric & Gas – Service Territory:

**Agri-Mark, Inc.
Chateaugay – Franklin County**

**Fermer Precision
Ilion – Herkimer County**

**Corning, Inc. (Big Flats)
Corning – Steuben County**

**Kennedy Valve
Elmira – Chemung County**

**Corning Inc. (Southside)
Corning – Steuben County**

**Trayer Products
Elmira – Chemung County**

**Corning, Inc. (SCC & TDM)
Corning – Steuben County**

**Ward Lumber Co. Inc.
Jay – Essex County**

Rochester Gas & Electric – Service Territory:

**Flower City Printing Inc.
Rochester – Monroe County**

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; Chapter 226 of the Laws of 2002; and Chapter 59 of the Laws of 2004, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 42 applications for electricity savings reimbursements discussed herein totaling 32,624 kW until December 31, 2005.

Economic Development Power Allocation Board
 Power for Jobs Extended Benefits
 Recommendations for Electricity Savings Reimbursements

Exhibit A
 June 28, 2005

Count	Company	City	County	IOU	KW	Jobs	Jobs/MW	Type	Service
1	Kinray, Inc.	Whitestone	Queens	CONED	450	420	933	Large	Wholesaler and distributor of pharmaceuticals
2	Kraft Foods - Tarrytown	Tarrytown	Westchester	CONED	1,000	674	674	Large	Food processor
3	Long Island Jewish Medical Center	Manhasset	Nassau	CONED	2,000	6,143	3,072	NFP	Healthcare Center
4	Pepsi Cola Bottling Company	College Point	Queens	CONED	2,200	1,030	468	Large	Manufacture & distributes soft drinks
	Con Edison		Subtotal	4	5,650	8,267	1,463		
5	Alken Industries Inc.	Ronkonkoma	Suffolk	LIPA	125	52	416	Small	Manufactures close tolerance aircraft parts
6	Automatic Data Processing	Edgewood	Suffolk	LIPA	1,000	1,298	1,298	Large	Processing and mailing for the financial industry
7	Bruce's Bakery	Great Neck	Nassau	LIPA	75	56	747	Small	Manufacturer and distributor of baked goods
8	Enzo Clinical Labs, Inc.	Farmingdale	Suffolk	LIPA	200	256	1,280	Small	Medical Lab
9	Gurwin Jewish Geriatric Center	Commack	Suffolk	LIPA	500	642	1,284	NFP	Nursing home
10	Hughes-Treitler Military Corp.	Garden City	Nassau	LIPA	500	189	378	Large	Manufacturer of heat exchangers
11	John Hassall, Inc.	Westbury	Nassau	LIPA	450	111	247	Large	Manufacturer of specialty metal fasteners
12	John T. Mather Memorial Hospital	Port Jefferson	Suffolk	LIPA	400	1,360	3,400	NFP	Community Hospital
13	Long Beach Medical Center	Long Beach	Nassau	LIPA	600	967	1,612	NFP	Community Hospital
14	Silver Lake Cookie Co.	Islip	Suffolk	LIPA	400	293	733	Large	Manufacturer of specialty cookies
15	Sleepy's (Warehouse)	Bethpage	Nassau	LIPA	300	415	1,383	Small	General Warehousing.
16	Standard Microsystems Corp.	Hauppauge	Suffolk	LIPA	1,050	361	344	Large	Maker and supplier of computer circuits and components
	Long Island Power Authority		Subtotal	12	5,600	6,000	1,071		
17	Anoplate Corp.	Syracuse	Onondaga	NIMO	450	167	371	Large	Metal Finishing
18	Brooks Memorial Hospital	Dunkirk	Chautauqua	NIMO	400	384	960	NFP	Comprehensive healthcare facility
19	Brownville Specialty Paper Products	Brownville	Jefferson	NIMO	600	67	112	Large	Manufacturer of specialty papers
20	Dal Tile Corporation	Olean	Cattaraugus	NIMO	1,000	284	284	Large	Ceramic tile
21	Diemolding Corporation	Canastota	Madison	NIMO	200	305	1,525	Small	Thermoset plastic forming
22	Faxton Hospital	Utica	Oneida	NIMO	350	690	1,971	NFP	Hospital
23	Fiber Glass Industries Inc.	Amsterdam	Herkimer	NIMO	700	142	203	Large	Produces high strength woven fabrics
24	Glens Falls Hospital	Glens Falls	Warren	NIMO	700	1,880	2,686	NFP	Hospital Services
25	Glens Falls Lehigh Cement Company	Glens Falls	Warren	NIMO	1,000	155	155	Large	Cement Manufacturer
26	Hebeler Corporation	Tonawanda	Erie	NIMO	350	149	426	Small	Large scale process equipment for various industries
27	Helmont Mills	St. Johnsville	Montgomery	NIMO	250	84	336	Small	Knitted Fabric Production
28	Ontario Foods, Inc.	Medina	Orleans	NIMO	1,000	239	239	Large	Manufacturer of dry food products
29	Robison & Smith, Inc.	Gloversville	Fulton	NIMO	384	176	458	Small	Linen & Laundry Supply
30	St. Lawrence University	Canton	St. Lawrence	NIMO	800	794	993	NFP	Institution of Higher Education

Economic Development Power Allocation Board
 Power for Jobs Extended Benefits
 Recommendations for Electricity Savings Reimbursements

Exhibit A
 June 28, 2005

Count	Company	City	County	IOU	KW	Jobs	Jobs/MW	Type	Service
31	St. Lukes-Memorial Hospital Center	New Hartford	St. Lawrence	NIMO	700	1,355	1,936	NFP	Healthcare Center
32	Syracuse University	Syracuse	Onondaga	NIMO	2,000	4,360	2,180	NFP	Institution of Higher Education
33	Welch Allyn Data Collection Inc.	Skaneateles Falls	Onondaga	NIMO	2,000	2,294	1,147	Large	Medical and dental diagnostic equipment manufacturer
	Niagara Mohawk		Subtotal	17	12,884	13,525	1,050		
34	Agri-Mark, Inc	Chateaugay	Franklin	NYSEG	500	106	212	Large	Cheese Manufacture
35	Corning, Inc.- Big Flats	Corning	Steuben	NYSEG	500	143	286	Large	Manufacturer of optical fiber, glass and ceramic products
36	Corning, Inc.- Southside	Corning	Steuben	NYSEG	1,500	647	431	Large	Manufacturer of optical fiber, glass and ceramic products
37	Corning, Inc.SCC & TDM	Corning	Steuben	NYSEG	500	161	322	Large	Manufacturer of optical fiber, glass and ceramic products
38	Fermer Precision	Ilion	Herkimer	NYSEG	200	76	380	Small	Provides machining applications for metal and plastics industries.
39	Kennedy Valve	Elmira	Chemung	NYSEG	3,000	395	132	Large	Manufacturer of fire hydrants, and assorted valves
40	Trayer Products, Inc.	Elmira	Chemung	NYSEG	1,000	217	217	Large	Supplier of machined parts for various industries
41	Ward Lumber Co., Inc.	Jay	Essex	NYSEG	140	93	664	Small	Saw mill & forest products
	New York State Electric and Gas		Subtotal	8	7,340	1,838	250		
42	Flower City Printing, Inc.	Rochester	Monroe	RGE	1,150	245	213	Large	Commercial printer
	Rochester Gas & Electric	Subtotal	Subtotal	1	1,150	245	213		

Total	42	32,624	29,875	916
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3. Transfer of Power – Name/Location Changes

SUMMARY

The members of the Economic Development Power Allocation Board (“Power Allocation Board”) are requested to recommend approval to changes to the companies as detailed below.

BACKGROUND

The Power Allocation Board is requested to approve the transfer of power allocations for seven existing customers that have changed names and/or locations for various business reasons. The Power Allocation Board has approved transfers of this nature at past meetings.

DISCUSSION

The proposed transferees are as follows:

Agri-Link Foods, Inc. (“ALF”) is a food-processing and marketing company in Fulton. The company was approved for a 1,500 kW Power for Jobs (“PFJ”) allocation for 215 jobs by the Authority Trustees at their meeting of September 28, 1998. In March 2005, ALF changed its name to Birds Eye Foods, Inc., with no change in ownership. The company changed its name for marketing reasons in order to capitalize on the Birds Eye Foods name. It will continue to operate out of its Fulton location and honor its existing job commitments.

AIM Corrugated Container Corporation (“AIM”) is a manufacturer of corrugated boxes for packaging. The company was approved for a 200 kW PFJ allocation for 86 jobs by the Authority Trustees at their meeting of January 25, 2000. Norampac Industries Inc., a New York corporation, bought AIM’s assets. Norampac will remain at the Lancaster facility and produce the same products, retaining the former employees of AIM and honoring the employment commitments made in the past.

The **American Craft Museum** (“Museum”) located in Manhattan, presents solo and group exhibitions of American artists working in the craft media. The Museum was initially approved for a 70 kW PFJ allocation for 36 jobs by the Authority Trustees at their meeting of May 25, 1999. The Museum changed its name to the Museum of Arts & Design. Ownership has not changed and it is still a non-profit organization. The Museum believes the new name expresses the institution’s mission and commitment to craft media. It will continue to honor all of the terms and conditions of its contract.

Hughes-Treitler Manufacturing Corp. (“Hughes-Treitler”) located in Garden City, makes heat exchangers for the defense and commercial aircraft industries. The company was approved for a 1,000 kW PFJ allocation for 168 jobs by the Authority Trustees at their meeting of March 31, 1998. Hughes-Treitler was recently acquired by AMETEK Aerospace and Defense, Inc. and will change its name to AMETEK Hughes-Treitler. The company continues to operate in the same facility, has retained the same employees, and produces the same products. AMETEK Hughes-Treitler agrees to honor all contract terms and conditions, including job commitments.

Kraft Foods (“Kraft”), located in North Lawrence, produces cottage cheese and flavored yogurt products. The company was approved for a 1,000 kW PFJ allocation for 140 jobs by the Authority Trustees at their meeting of September 28, 1998. Coolbrands Dairy Inc., through their wholly owned subsidiary Integrated Brands, acquired certain Kraft assets and liabilities associated with the North Lawrence facility in March 2005. Coolbrands will honor all the terms and conditions of the allocation agreement and continue to produce similar products at the facility.

Power Pallet Inc. (“Power Pallet”) is a pallet-recycling company located in the Capital Region. The company was allocated 250 kW of PFJ power for 65 jobs by the Authority Trustees at their meeting of April 27, 1999. Power Pallet recently relocated from Schenectady to a larger facility in Amsterdam. The new location gives Power Pallet the ability to expand its business and marketplace in an effort to grow and add more jobs in the future. Power Pallet wishes to transfer the allocation to the new facility and agrees to honor all contract terms and conditions, including job commitments.

Tartan Textiles Services, Inc. (“Tartan”) is a commercial laundry service located in Hempstead, Long Island. The company was allocated 700 kW of EDP for 256 jobs by the Authority Trustees at their meeting of February 23, 1993. Angelica Textile Services has acquired the laundry operations of Tartan as a result of a full-asset sale. The company will continue the same type of business operations as Tartan and remain at the same location. The new company will continue to honor the contract terms and conditions, including job commitments made by the prior owners.

RECOMMENDATION

It is recommended that the Power Allocation Board approve the name and/or location changes detailed above.

The members of the Board present approved the recommendation to changes to the companies as detailed above.

4. Informational Item – New Legislation

Mr. Paslow briefed the Board members on recent legislative developments.

On June 23rd, both houses of the New York State Legislature approved comprehensive power legislation (S.5866/A.8960) addressing an array of Authority programs that provide economical electricity for economic development. The legislation included provisions relating to extending programs under EDPAB's jurisdiction.

In addition, provisions of legislation (S.3669/A.6843) enacted as part of the State Fiscal Year 2005-06 Budget changed the sunset of the Power for Jobs ("PFJ") program from December 31, 2005 to December 31, 2006, authorizing another year of benefits for PFJ customers.

COMPREHENSIVE POWER LEGISLATION

Archaic "FitzPatrick" Statutory Language Amended

The comprehensive legislation removes outdated references to the FitzPatrick Nuclear Power Plant, which the Authority sold to Entergy Nuclear in 2000, as the source of power for the Authority's Economic Development Power ("EDP"), High Load Factor Power ("HLFP") and Municipal Distribution Agency Power ("MDAP") programs. The legislation clarifies that the Authority may use power from other sources to serve the customers in these programs. The Authority can draw on its existing generation resources and, rather than adding more resources of its own, solicit bids for generation on a competitive basis from generators and other market suppliers.

Energy Cost-Savings Benefit Created

The legislation authorizes EDPAB to solicit applications and recommend "energy cost savings benefits" for "eligible businesses" based on criteria set forth in the law to promote economic development, maintain and develop jobs and encourage new capital investment throughout the State.

For an initial period lasting until December 31, 2006, the only recipients eligible for the benefit will be among a set of 69 Authority customers in the EDP, HLFP and MDAP programs that may be subject to rate increases prior to December 31, 2006.

The legislation does not include any specific pricing provisions. However, it has been agreed that the energy cost-savings benefit will help the Authority phase in rate increases, averaging a total of approximately 6% for the 14-month term.

The legislation authorizes up to 70 MW of unallocated power from the Niagara Power Project and up to 20 MW of currently unallocated power from the St. Lawrence-FDR Project to be sold into the market to help fund the energy cost-savings benefit. (*However, the 20 MW of St. Lawrence-FDR power is only authorized to be part of the program through December 31, 2006.*) In addition, up to 38.6 MW of power from the St. Lawrence-FDR Project may be allocated for the benefit if that power is voluntarily relinquished by business.

The energy cost-savings benefit is authorized to continue beyond December 31, 2006 (with the support of up to 70 MW of Replacement Power and potentially as much as 38.6 MW of St. Lawrence-FDR power). Eligibility after December 31, 2006 will be determined by EDPAB under the criteria established in the new §183(h) of the Economic Development Law, including:

- 1) *overall economic impact of the company in forms of jobs created or retained, payroll, capital investment and the use of in-state suppliers;*
- 2) *the likelihood that absent approval a company would close, contract or relocate outside of New York State;*

- 3) *the company's compliance with prior contractual commitments to retain and/or create jobs; and*
- 4) *the extent to which a benefit would affect the overall productivity or competitiveness of the company and its existing in-State employment.*

Power for Jobs -- Revised Commitments Authorized

The legislation amended the Economic Development Law to allow complete or partial electricity reimbursements and contract extensions under the PFJ program, subject to revised commitments to be established by EDPAB.

On February 24, 2005, Chairman Ciminelli on behalf of EDPAB wrote to the Governor and legislative leaders advising them that the 2004 law creating the extended benefits provisions of the PFJ program included provisions stating that an applicant would be eligible for extended benefits only if it is in compliance with the job commitments of its prior contract. As a consequence, 121 of the 322 applications were determined to be ineligible under the law.

With the enactment of the provision of S.5866/A.8960, previously ineligible applicants will become eligible for EDPAB to review, revise job commitments and recommended benefits consistent with revised job commitments.

2005-06 STATE BUDGET LEGISLATION

Power for Jobs Program Extended

As proposed by the Governor in his Executive Budget, the budget legislation approved by the legislature continues extended PFJ benefits in the form of contract extensions or electricity saving reimbursement rebates for all existing PFJ customers for another year (*from the currently scheduled end of the program on December 31, 2005 to December 31, 2006.*)

As a result, the 288 PFJ customers with contracts expiring on December 31, 2005 will become eligible to apply for a year of extended benefits (either contract extensions or energy savings reimbursement rebates). In addition, a total of 322 applicants for extended benefits under the 2004 law will also be eligible to apply for an additional year of extended benefits (an overall total of 610 applicants).

June 28, 2005

Chairman Ciminelli informed the Board that this was his last official meeting. He thanked all Members and Authority staff for their dedication and effort, wished them luck and urged them to keep doing good work.

Board Member Corbett thanked the Chairman for the good job he had done for Western New York and requested that a resolution in honor of Chairman Ciminelli be prepared for the next meeting of the Board.

5. **Next Meeting**

The next meeting of the Board is to be determined.

Closing

Upon motion duly made and seconded, the meeting was closed at 10:16 a.m.

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