



December 8, 2005

VIA E-MAIL AND DHL EXPRESS MAIL

Ms. Angela D. Graves
Deputy Secretary
Power Authority of the State of New York
123 Main Street
White Plains, NY 10601

**SUBJECT: 2006 REVISION TO PRODUCTION RATES FOR
NEW YORK CITY GOVERNMENTAL CUSTOMERS**

Dear Deputy Secretary Graves: 

Attached are the comments of The Port Authority of New York and New Jersey on the NYPA Preliminary Staff Report and New York City Government Customers Annual Planning Process Analysis, including the 2006 Cost-of-Service. The Port Authority is forwarding them in response to NYPA's proposed revisions to rates published in the New York State Register dated October 26, 2005, and as part of the joint Annual Planning and Pricing Process as contemplated by our Long-Term Agreement. The comments are being submitted jointly with the Metropolitan Transportation Authority.

Over the past several months, the Port Authority has worked collaboratively with NYPA and other customers to analyze and review the Rate Year 2006 costs. The Port Authority is recommending that NYPA reduce its 2006 revenue requirements forecast by at least \$17.9 million. This is the first year that NYPA and other SENY Customers have embarked on the Annual Planning and Pricing Process and, therefore, some recommendations to improve the Annual Process have also been included.

Sincerely yours,



Gail Yvette Davis
Senior Policy Manager

Enc.

c: Louise Morman, NYPA
Cruz C. Russell, Port Authority
Ronald Senio, Port Authority