

POWER AUTHORITY OF THE STATE OF NEW YORK  
30 SOUTH PEARL STREET, 10<sup>th</sup> FLOOR, ALBANY, NEW YORK 12207

SERVICE TARIFF NO. 35  
FIRM POWER SERVICE  
INDUSTRIAL ECONOMIC DEVELOPMENT

EFFECTIVE:

NOVEMBER 1, 2005

APPLICABLE:

To municipal customers in New York State solely for general power service to specific industrial consumers as approved by Authority.

CHARACTER OF SERVICE:

Alternating current; 60 hertz; 3 phase

MONTHLY RATES:

A. Applicable only Option 5 Customers through October 31, 2007:

CAPACITY CHARGE: \$ 8.16 per kilowatt of billing demand

ENERGY CHARGE: 23.00 mills per kilowatt-hour

B. Customers who have been approved for an Energy Cost Savings Benefit Award pursuant to Section 183(h) of the Economic Development Law:

B1. For the time period November 1, 2001 to January 31, 2006:

CAPACITY CHARGE: \$8.16 per month per kilowatt of  
billing demand.

ENERGY CHARGE: 23.00 mills per kilowatt-hour.

B2. For the time period February 1, 2006 to July 31, 2006 see Table I.  
For the time period August 1, 2006 to December 31, 2006 see Table II.

The rates shown in this tariff and these tables are subject to increase at any time if, in the sole discretion of the Trustees, they determine that such action is necessary based on their evaluation of the Authority's financial condition. Upon such a determination, the tariff charges may be raised effective immediately to a level up to the full cost incurred by the Authority to serve the Customers.

**C. Customers Other Than Those Described in Paragraphs A and B, above:**

The Authority shall charge and the Customer shall pay, rates based on the market costs of energy, capacity (ICAP/UCAP) including locational capacity costs and any transmission charges not otherwise recovered hereunder, as may be incurred by the Authority to provide direct firm power service to Customer, plus associated overhead and other assigned costs as determined by the Authority.

- D.** With respect to Option 5 customers after October 31, 2007 and all other customers after December 31, 2006, the Authority shall charge, and the Customer shall pay, rates based on the market costs of energy, capacity (ICAP/UCAP) including locational capacity costs and any transmission charges not otherwise recovered hereunder, as may be incurred by the Authority to provide firm power service to Customers, plus associated overhead and other assigned costs as determined by the Authority.

**MINIMUM MONTHLY CHARGE:**

**MINIMUM CAPACITY CHARGE:**

The Minimum Monthly Energy Charge shall be the product of the Capacity Charge and the Billing Demand.

**MINIMUM ENERGY CHARGE:**

The Minimum Monthly Energy Charge shall be the product of the Energy Charge and the amount of energy used under this Tariff.

**DEFINITIONS:**

**CONTRACT DEMAND:**

The Contract Demand shall be the sum of all kilowatts allocated by Authority to Customer for the benefit of specific industrial consumers served by Customers (consumer's contract demand) pursuant to the Application for Electric Service.

**BILLING DEMAND:**

Customer's Billing Demand shall be the sum of the specific industrial consumers' billing demands. A specific industrial consumer's billing demand shall be the greater of a) such consumer's maximum 30 minute integrated demand established during the billing period or b) 75 percent of such consumer's contract demand.

**ADJUSTMENTS:**

**FOR TRANSFORMER LOSSES:**

If delivery is made at transmission voltage but metered on the low side of Customer's substation, the meter readings will be increased by an amount based upon the manufacturer's actual test report for such transformer or for a transformer of similar age and type, or in the absence of such test reports, by two percent to compensate for transformer losses.

**FOR POWER FACTOR:**

None. Customer shall maintain power factor at the point of delivery of not less than 90 percent lagging or leading.

**SPECIAL PROVISIONS:**

A) Transmission Service Charges

Authority's contracts with Transmission Agents provide or will provide for the use of transmission facilities of Transmission Agent including transforming, switching, control and protective equipment necessary or used in the transmission of the electric power and energy contracted for herein and received by Transmission Agent at Authority's established points of delivery to Transmission Agents.

Customer will compensate Authority for making delivery of power and energy to Customer by paying to Authority transmission service charges in the amount determined by Authority to be necessary to defray the cost of such delivery including (a) the cost to Authority of delivery of power and energy pursuant to any wheeling agreement with Authority's Transmission Agents together with any administrative expenses incurred by Authority in connection herewith and (b) where power and energy is delivered either wholly or partially over facilities of Authority, Authority's transmission charge or charges.

B) Construction, Operation and Maintenance of Customer's Power System

For the purposes herein Customer's power system shall mean the power system of

**Exhibit B**  
**July 26, 2005**

Customer and of any purchaser, transmitter or distributor designated by Customer to receive or handle the power contracted for herein, and for the purposes of this Special Provision, Authority's power system shall mean all facilities over which power and energy are delivered to Customer's Transmission/Distribution Agent(s), whether or not owned by Authority. Customer shall require all such purchasers, transmitters, or distributors to construct, operate and maintain their power system and/or electrical equipment, in a manner which will not interfere with any service supplied from Authority's power system, Customer fails or refuses to cause such changes to be made as may be necessary to eliminate such unsatisfactory condition, Authority may discontinue furnishing electric service to Customer so long as such interference exists. Such a discontinuance of electric service will not relieve customer of liability for the minimum monthly charge provided for herein during the term said electric service is so discontinued. Nothing in this paragraph shall be constructed to render Authority liable for any claims, demands, costs, losses, causes of action, damages, or liability of whatsoever kind or nature arising out of or resulting from the construction, operation or maintenance of Customer's power system.

C) Resale of Power and Energy

Customer agrees that in reselling power and energy purchased from Authority under Service Tariff No. 35, such power and energy will be provided solely to industrial consumer(s) approved by Authority pursuant to the applicable provisions of Part 460 of Authority's Rules and Regulations – Procedures for Allocation of Industrial Power and Enforcement of Contracts. Authority shall make energy available to Customer at the actual load factor of Customer's industrial consumer(s).

D) New York Independent System Operator Transmission and Related Charges

Notwithstanding any provision herein to the contrary, the rates for service under this Service Tariff shall be subject to increase by the Authority at any time to require the Customer to compensate the Authority for the following Charges for services provided by the New York Independent System Operator, Inc. ("NYISO") or any successor organization pursuant to its Open Access Transmission Tariff ("OATT") or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with the Authority's responsibilities as Load Serving Entity for the Customer:

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;
2. Marginal losses;
3. The New York Power Authority Transmission Adjustment Charge ("NTAC");
4. Congestion costs, less any associated grandfathered Transmission

Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;  
and

5. Any and all other charges, assessments or other amounts associated with deliveries to the Customer or otherwise associated with the Authority's responsibilities as Load Serving Entity for the Customer that are assessed on the Authority by the NYISO under the provisions of its OATT or other tariffs.