

**June 30, 2009**  
**Exhibit "2e-D"**



**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**30 SOUTH PEARL STREET**  
**ALBANY, NY 12207**

**Electric Service Tariff for Niagara Frontier**  
**Transportation Authority**  
**Firm Hydroelectric Power Service**

**Service Tariff No. 37**

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## **Schedule of Rates for Firm Hydroelectric Power and Energy Service**

### **I. Applicability**

To sale of Niagara and St. Lawrence-FDR Hydroelectric Projects firm power and energy (as defined below) to Niagara Frontier Transportation Authority.

### **II. Abbreviations and Terms**

A. The following abbreviations are used:

kW	kilowatt(s)
kWh	kilowatt-hour(s)
NYPA	New York Power Authority
NYISO	New York Independent System Operator

B. The term "Agreement" means the executed Application for Electric Service between Authority and Customer.

C. The term "Authority" means New York Power Authority, an alternative name for the Power Authority of the State of New York.

D. The term "Customer" means the Niagara Frontier Transportation Authority.

E. The term "Power" or "Firm Hydroelectric Power" means capacity (kW) from Projects, intended to be available at all times except for limitations provided in the application for electric service, the Rules, this Service Tariff or in other contract documents. Firm Power shall not include peaking power.

F. The term "Energy" or "Firm Hydroelectric Energy" means energy (kWh) associated with Firm Hydroelectric Power.

G. The term "Projects" means the Authority's Niagara and St. Lawrence-FDR Hydroelectric Projects.

H. The term "Rules" means Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, 21 NYCRR § 454) as now in effect and as may be later amended from time to time by Authority.

- I. The term "Service Tariff" means this Service Tariff No. 37.
- J. The Term "Transmission/Distribution Agent" means any entity, generally a transmission or distribution-owning utility, that delivers Authority firm power and energy for Authority on behalf of Customer.

### III. Monthly Rates and Charges

#### A. Monthly Base Rates

The monthly demand and energy charges paid by Customer to Authority shall be based on the preference power rates charged by Authority, as shown below.

<u>Effective Date</u>	<u>Demand Rate</u> \$/kW-month of contract demand	<u>Energy Rate</u> Mills/kWh
5/1/2008	2.96	4.92

The demand and energy rates set forth above will apply at the Projects switchyard and the energy rate shall be subject to a monthly adjustment in accordance with a Flow Adjustment Computation ("FAC") described in Section V.

#### B. Minimum Monthly Demand Charge

The product of the demand rate set forth above and the contract demand.

#### C. Minimum Monthly Energy Charge

The product of the energy rate set forth above and the amount of energy allocated under this Service Tariff.

#### D. Contract Demand

The maximum hydroelectric kilowatts contracted for in the application for electric service, as measured at the Authority's generating station switchyards subject to modification as provided in General Provision F of this Service Tariff.

#### E. Billing Period

Any period of approximately thirty (30) days, generally ending with the last day of each calendar month.

F. NYISO Transmission and Related Charges ("NYISO Charges")

The Customer shall compensate the Authority for the following NYISO Charges assessed on the Authority, if any, for services provided by the 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) which are associated with Customer's purchase of hydro power and energy under its contract for the sale of hydro power and energy with Authority:

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;
5. Any and all other charges, assessments or other amounts associated with deliveries to Customer that are assessed on the Authority by the NYISO or any successor organization under the provisions of its OATT or under other applicable tariffs; and
6. Any charges assessed on the Authority with respect to service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by NYPA with respect to service to Customers), applicable tariffs or required to be paid by the Authority in accordance with law, whether charged by the NYISO or some other third party.

The NYISO Charges in this section are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

G. Taxes and Other Charges

The charges under this Service Tariff shall be subject to adjustment as Authority deems necessary to recover from Customer any rates, taxes, assessments charged to Authority or any other charges mandated by federal, state and local agencies that are levied on the Authority or that the Authority is required to collect from its Customer if and to the extent such rates, charges, taxes or assessments are not recovered by Authority pursuant to another provision of this Service Tariff.

#### **IV. General Provisions**

General Provisions for service supplementing or modifying the Rules and Regulations for Power Service and this Service Tariff with regard to deliveries to Customer are as follows:

##### **A. Character of Service**

Alternating current, 60 hertz, three-phase.

##### **B. Adjustment of Rates**

The rates for power and energy contained in this Service Tariff may be revised by the Authority from time to time on not less than 30 days written notice to Customer.

##### **C. Adjustment of Charges**

###### **1. Transformer Losses**

If delivery is made at transmission voltage but metered on the low-voltage side of Customer's substation, the meter readings will be adjusted 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, the meter readings will be increased two percent to compensate for transformer losses.

###### **2. Power Factor**

Customer shall maintain a power factor at the point of delivery of not less than 90 percent lagging or leading.

##### **D. Transmission and Delivery Service Charges**

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

Customer will compensate Authority for making delivery of power and energy to Customer by paying to Authority transmission and delivery service charges including compensation for losses in the amount determined by Authority to be necessary to defray the cost of such delivery of power and energy including (a) the cost to Authority of delivery power and energy pursuant to any wheeling agreement with Authority's Transmission/Distribution 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.

E. Construction, Operation and Maintenance of the Customer's Power System

For the purpose herein, Customer's power system shall mean the power system of 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 Provision, Authority's power system shall mean all facilities over which power and energy are delivered to Customer or Customer's Transmission/Distribution Agent(s), whether or not owned by the 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. If, after reasonable notice of an unsatisfactory condition on Customer's power system, which interferes or may 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 charges provided for herein during the term said electric service is so discontinued. Nothing in this paragraph shall be construed 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.

F. Cancellation of Modification

Service hereunder shall be subject to cancellation by Customer for any reason upon 90 days prior written notice to Authority. Authority may cancel service hereunder or modify the quantities of power and associated energy allocated to Customer (1) if cancellation or modification is deemed warranted by Authority's Trustees (a) by reason of any ruling, order or decision of any regulatory or judicial body having jurisdiction in the premises, or (b) to comply

with any state or federal legislation affecting the allocation of Authority power and energy; such cancellation or modification to be effective in accordance with the terms of any such ruling, order, decision or legislation or (2) as otherwise provided herein or in Authority's Rules and Regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York).

G. Apportionment of Service

If Customer combines service under this Service Tariff with power and energy from any other source(s), the portion of the total power and energy utilized by Customer from all sources shall be apportioned to this Service Tariff as determined by Authority and the provider of such other service.

H. Payment by Customer for Firm Hydroelectric Power and Energy

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by Authority. In the event that there is a dispute on any items of a bill rendered by Authority, Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

I. Conflicts

In the event of any inconsistencies, conflicts or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern.

**V. Flow Adjustment Computation (“FAC”)**

The energy charges under this Service Tariff, and the applicable service tariffs associated with the Projects are subject to a credit or surcharge pursuant to a FAC in any rate year following a calendar year for which the Hydroelectric Project Rate Stabilization Reserve (“RSR”) is greater than \$+25 million, or less than \$-25 million, respectively. The RSR will be used to ensure rate stability and cost recovery and its level will be determined and any credit or surcharge for the succeeding rate year will be calculated after the prior calendar year’s costs and generation levels are known. Any credit or surcharge will be applied on a uniform basis to the monthly billing statements rendered pursuant to this Service Tariff during the succeeding rate year.

The FAC is inapplicable in any rate year succeeding a calendar year at the end of which the RSR is within the \$+25 million to \$-25 million range. If at the end of any calendar year, the RSR is determined to exceed \$+25 million, such excess amount will be credited pro-rata to Customers during the succeeding rate year pursuant to the FAC. If the RSR at the end of any calendar year is determined to be less than \$-25 million, the difference below \$-25 million will be surcharged pro-rata to Customers during the succeeding rate year pursuant to the FAC.

To the extent that there is a balance in the RSR (positive or negative) on the effective date of service under the applicable Agreement(s), arising out of service under a prior agreement for the sale of Project power and energy, that RSR balance shall be carried forward and maintained as the balance as of the effective date of service under such applicable Agreement(s).