



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

Electric Service Tariff for Full Requirements
Municipal and Rural Electric Cooperative Systems
Firm Incremental Power Service

Service Tariff No. 38B

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Schedule of Rates for Firm Incremental Power Service

I. Applicability

For wholesale sales of Firm Incremental Energy and Unforced Capacity (terms as defined below) to Full Requirements Municipal and Rural Electric Cooperative Systems (terms as defined below) in New York State, necessary to meet each such system's full requirements remaining after hydroelectric power service supplied under Service Tariff No. 38A is utilized.

II. Abbreviations and Terms

A. The following abbreviations are used:

LBMP	Locational Based Marginal Price
NYPA	New York Power Authority

B. The term "Authority" means the Power Authority of the State of New York, a corporate municipal instrumentality and political subdivision of the State of New York operating pursuant to Title 1 of Article 5 of the New York Public Authorities Law, also known as the "New York Power Authority".

C. The term "Agreement" means an executed Incremental Power Supply Agreement for the supply of Firm Incremental Energy between Authority and Customer. As each Agreement so states, it is a supplement to the Customer's "Application for Electric Service."

D. The term "Billing Period" has the meaning set forth in Section III of this Service Tariff.

E. The term "Customer" means any of the Full Requirements Municipal and Rural Electric Cooperative Systems, located across the state of New York, identified in the Agreements with Authority.

F. The term "Firm Incremental Energy" means energy (kWh) purchased by Authority from NYISO for Customer.

G. The term "Full Requirements" as used in this Service Tariff to describe Customer, means that the Customer purchases all of its power and energy requirements from Authority.

- H. The term “Locational Based Marginal Pricing” (“LBMP”) has the meaning set forth in the NYISO Tariffs, as such definition may be modified from time to time.
- I. The term “Load Serving Entity” has the meaning set forth in the NYISO Tariffs, as such definition may be modified from time to time.
- J. The term “Municipal and Rural Electric Cooperative Systems” means an independent electrical distribution systems located in New York State eligible to be served by Authority.
- K. The term “NYISO” refers to the New York Independent System Operator, Inc. or any successor organization.
- L. The term “NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff (“OATT”) or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, or any successor tariffs to such NYISO Tariff.
- M. The term “Rules” means 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), as applicable, as now in effect and as may be later amended from time to time by Authority.
- N. The term “Service Tariff” means this Service Tariff No. 38B.
- O. The term “Transmission Service Charge” has the meaning set forth in the NYISO Tariffs, as such definition may be modified from time to time
- P. The term “Unforced Capacity” (“UCAP”) shall have the meaning set forth in the NYISO Tariffs or applicable rules, as such definition may be modified from time to time.

III. Firm Incremental Power Service Charges

A. Firm Incremental Energy Purchases

Authority will make market-based purchases on behalf of Customer from the NYISO in either its Day-Ahead Market or the Real-Time Market (each term as defined in the NYISO Tariffs, and each a "Market" for purposes of this subsection III.A) at the price specified in either Market for the hour in which the purchase is made. These purchases will be made in whichever Market the Authority deems to be appropriate. The costs of these purchases shall be at the LBMP applicable to the NYISO Zone(s) or sub-zones in which the Customer receives deliveries. These charges and any retroactive adjustments to pricing that may result from the NYISO settlement process will be passed along to the Customer in subsequent billing(s).

B. UCAP Purchases

Authority will make UCAP purchases for Customer using the Portfolio Weighted Average Price methodology set forth in the Agreement. Costs for UCAP purchases will be passed through to Customer.

C. Billing Period

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

D. 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 the NYISO Tariffs or other tariffs (as the provisions of those tariffs maybe amended and in effect from time to time) with respect to power service to Customer under this Service Tariff:

1. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the NYISO Tariffs 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 Transmission Service Charge assessed upon Authority by the local utility;
6. Any and all other charges, assessments or other amounts associated with deliveries to Customer or otherwise associated with the Authority's responsibilities as agent for the Customer in the performance of Load Serving Entity functions that are assessed on the Authority by the NYISO under the provisions of the NYISO Tariffs or under other applicable tariffs; and
7. Any charges assessed on the Authority for facilities needed to maintain reliability or incurred in connection with the NYISO's Comprehensive System Planning Process (including both economic projects and reliability backstop projects) with respect to power service to Customer under this Service Tariff, 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, if any are incurred by Authority on behalf of Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

E. Overhead Costs

As set forth in the Agreement, Authority may charge Customer overhead costs associated with all Firm Incremental Power Service under this Service Tariff as determined by the Authority.

F. Resale of Power and Energy

Customer agrees that in reselling power and energy purchased from Authority under this Service Tariff that the benefits of such power and energy will be made available to the extent practicable to all retail consumers located within Customer's service area on a nondiscriminatory basis as may be approved by Authority.

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 this Service Tariff with regard to deliveries to Customer are as follows:

A. Character of Service

Alternating current, 60 hertz, three-phase or as may be required by Customer.

B. Allocation of Energy

The kilowatt-hours provided to Customer under this Service Tariff shall be the total number of kilowatt-hours used by Customer during the billing period, adjusted for losses, less the amount of energy provided to Customer under Service Tariff No. 38A during the billing period.

C. Construction, Operation and Maintenance of Customer's Power Systems

For purposes 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 local utility, whether or not owned by Authority.

Customer shall construct, operate and maintain its 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. 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.