

1 POWER AUTHORITY OF THE STATE OF NEW YORK

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3

PUBLIC HEARING

4

Tuesday, October 4, 2011 - 3:00
P.M.

5

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Niagara Power Project
Lewiston, New York

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PROPOSED EXPANSION POWER CONTRACTS WITH
MOOG INC. and TRY-IT DISTRIBUTING CO., INC.

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Public Hearing held at the

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Niagara Power Project, Community Room, Lewiston,

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New York on October 4, 2011 at 3:00 P.M.

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1 PRESENT: FOR THE POWER AUTHORITY OF THE
2 STATE OF NEW YORK,

3 KAREN DELINCE,
4 Corporate Secretary,
5 123 Main Street,
6 White Plains, New York 10601.

7 JAMES PASQUALE,
8 Senior Vice President of Marketing &
9 Economic Development at the New
10 York Power Authority.

11 LORNA JOHNSON,
12 Assistant Corporate Secretary.

13 REPORTED BY: METSCHL & ASSOCIATES,
14 BY: DAWN M. SITERS,
15 1098 Ellicott Square Building,
16 295 Main Street,
17 Buffalo, New York 14203,
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INDEX TO SPEAKERS

1
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4
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6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

PAGE

Karen Delince..... 4
James Pasquale..... 6

1 KAREN DELINCE: Good
2 afternoon. My name is Karen Delince, and I'm the
3 Corporate Secretary of the New York Power Authority.

4 This public hearing is being
5 conducted by the Power Authority to provide an
6 overview and receive public comment on the proposed
7 Expansion Power Contracts with Moog, Inc. and Try-It
8 Distributing Company, Inc.

9 Pursuant to Section 1009 (1) of
10 the Public Authorities Law, notice of this hearing
11 was published in the following six newspapers once a
12 week for the four weeks leading up to the hearing:
13 Buffalo News, Niagara Gazette, Buffalo First, Albany
14 Times Union, Post Standard and The Journal News.

15 During the thirty-day period prior
16 to today's hearing, copies of the proposed contracts
17 have been available for inspection at the
18 Authority's office in White Plains, as well as on
19 the Authority's website.

20 Also pursuant to Section 1009 (1)
21 of the Public Authorities Law, notice of this
22 hearing, and copies of the proposed contracts were
23 sent to: Governor Andrew Cuomo; President Pro Tem

1 of the New York State Senate, Dean G. Skelos;
2 Speaker of the Assembly, Sheldon Silver; Chairman of
3 the Senate Finance Committee, John A. DeFrancisco;
4 Chairman of the Assembly Ways and Means Committee,
5 Herman Farrell; Senate Minority Leader, John L.
6 Sampson and Assembly Minority Leader, Brian M. Kolb.

7 If you plan to make an oral
8 statement at this hearing, and have not yet filled
9 out the form at the sign-in desk, please do so now.
10 We ask that you give copies of your original
11 statement to the reporter and Lorna Johnson. While
12 your written statement may be of any length, we ask
13 those presenting an oral statement to limit their
14 remarks to five minutes. If your oral statement
15 summarizes a written statement, both will appear in
16 the record of the hearing.

17 The record of this hearing will
18 remain open through the close of business on
19 Wednesday, October 7 for the submission of any
20 additional comments or statements. These should be
21 addressed to the Authority's Corporate Secretary at
22 123 Main Street, 15-M, White Plains, New York 10601;
23 or may be faxed to (914) 390-8040; or e-mailed to

1 secretarys.office@nypa.gov. Please see Lorna
2 Johnson at the sign-in table if you have additional
3 questions.

4 A complete transcript of the
5 hearing will be submitted to the Authority's
6 Trustees, along with all the written submissions,
7 for review. The transcript will also be made
8 available to the public for review at the
9 Authority's White Plains office, and on the
10 Authority's website, www.nypa.gov.

11 At this point, I will turn the
12 microphone over to James Pasquale, NYPA's Senior
13 Vice President of Marketing and Economic
14 Development, who will provide additional details on
15 the proposed contract extensions.

16 I will then call on speakers as
17 they arrive. Thank you.

18 JAMES PASQUALE: Thank you, Ms.
19 Delince. Good afternoon. My name is James F.
20 Pasquale, and I am the Senior Vice President for
21 Marketing and Economic Development at the New York
22 Power Authority.

23 I am here today to present an

1 overview of a proposed contract with two companies;
2 Moog, Inc. and Try-It Distributing Company, Inc. for
3 the sale of three hundred kilowatts and two hundred
4 kilowatts of Expansion Power, respectively, from the
5 Niagara Power Project.

6 Under Section 1005, Subsection 13
7 of the Power Authority Act, as amended by Chapter
8 313 of the Laws of 2005, the Authority may contract
9 to allocate two hundred fifty megawatts of firm
10 hydroelectric power, known as Expansion Power, or
11 EP, to businesses within thirty miles of the Niagara
12 Power Project. Each application for an allocation
13 of EP must be evaluated under the criteria that
14 includes, but need not be limited to, those set
15 forth in the Public Authorities Law Section 1005,
16 Subsection 13, paragraph A, which details general
17 eligibility requirements.

18 Among the factors to be considered
19 when evaluating a request for an allocation of
20 hydropower are the number of jobs created as a
21 result of the allocation; the business' long-term
22 commitment to the region as evidenced by the current
23 and/or planned capital investment in the business'

1 facilities in the region; the ratio of the number of
2 jobs to be created to the amount of power requested;
3 the types of jobs created, as measured by wage and
4 benefit levels, and the type and cost of buildings,
5 equipment and facilities to be constructed, enlarged
6 or installed.

7 At their meeting of July 26, 2011,
8 the Power Authority Trustees approved an allocation
9 of three hundred kilowatts of Expansion Power to
10 Moog for a term of five years. Approval of the
11 allocation was based on an evaluation of the
12 company's application for hydropower, in which it
13 proposed to invest thirteen million dollars to
14 construct a new sixty-eight thousand square foot
15 corporate shared services building at its East
16 Aurora campus location. Moog has committed to create
17 seventy new jobs, in addition to its existing two
18 thousand four hundred and ninety-seven jobs. The
19 contract includes an enforceable employment
20 commitment of two thousand five hundred and
21 sixty-seven jobs, an annual job reporting
22 requirement, and job compliance threshold of ninety
23 percent. Should Moog's average annual employment

1 fall below the compliance threshold of ninety
2 percent of the employment commitment, the Authority
3 has the right to reduce the allocation on a pro rata
4 basis.

5 At their meeting of July 26, 2011,
6 the Trustees also approved an allocation of two
7 hundred kilowatts of Expansion Power to Try-It
8 Distributing for a term of five years. Approval of
9 the allocation was based on an evaluation of the
10 company's application for hydropower, in which it
11 proposed to invest fourteen million to expand its
12 Lancaster facility. The proposed project would add
13 roughly one hundred thousand square feet of
14 warehousing space, along with associated
15 climate-control and refrigeration equipment.

16 Try-It has committed to create
17 twenty-three new jobs, in addition to the existing
18 two hundred and forty-two jobs. The contract
19 includes an enforceable employment commitment of two
20 hundred and sixty-five jobs, an annual job reporting
21 requirement, and job compliance threshold of ninety
22 percent. Should Try-It's average annual employment
23 fall below the employment threshold of ninety

1 percent of the employment commitment, the Authority
2 has the right to reduce the allocation on a pro rata
3 basis.

4 The Authority will provide firm
5 electric service from the Niagara Plant, consisting
6 of firm power capacity and energy service. The
7 service is subject to pro rata curtailment when
8 there is insufficient generation at the Niagara and
9 St. Lawrence/FDR facilities to meet all its firm
10 load requirements. The power and energy will be
11 sold on a direct sale basis. Delivery will be
12 provided by the local utility; NYSEG, and billed
13 directly to the customers. The rates, terms and
14 conditions for the sale are contained in the
15 relevant Expansion Power Service Tariff EP-1.
16 Effective July 1, 2013, Service Tariff WNY-1 will
17 become effective for all EP allocations.

18 The contracts also require that an
19 energy-efficiency audit be performed not less than
20 once during the term of electric service.

21 The contract is subject to a
22 public hearing and approval by the Governor, as set
23 forth in Section 1009 of the Public Authorities Law.

1 As Ms. Delince stated earlier, the
2 Authority will accept your comments on the proposed
3 contracts until the close of business on October 7,
4 2011.

5 I will now turn the hearing back
6 over to Ms. Delince.

7 KAREN DELINCE: Thank you, Mr.
8 Pasquale. We will remain here until seven o'clock
9 for speakers.

10 (Off the record until seven o'clock.)

11 KAREN DELINCE: There being no
12 speakers present today, this hearing is now
13 officially closed.

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